

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
V.N. KARAZIN KHARKIV NATIONAL UNIVERSITY**

Faculty **EDUCATION AND RESEARCH INSTITUTE
«KARAZIN BANKING INSTITUTE»**

Department **Management, Business and Professional
Communications**

Specialty: **073 Management**

Education program: **Management of organizations and administration**

Group: **AM-25M full-time mode of study**

QUALIFYING MASTER'S THESIS

on the topic:

**IMPLEMENTATION OF MODERN APPROACHES TO
HUMAN RESOURCE MANAGEMENT**

submitted by the applicant of higher education **Cheng Xiao Ling**

The thesis is accepted for defense in the EC

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Kharkiv 2024

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«25» September 2024

**ASSIGNMENT
FOR A QUALIFYING MASTER’S THESIS**

given to
Cheng Xiao Ling

1. The topic of the thesis: «IMPLEMENTATION OF MODERN APPROACHES TO HUMAN RESOURCE MANAGEMENT».

Scientific advisor SEMENCHENKO Tamara, PhD in Education, Assoc. Prof.
approved by the order of the University dated «17» September 2024, № 4601-3к/1025

2. Deadline for submission of thesis by the student 18 November 2024

3. List of questions to be researched:

In chapter 1: describe modern methods of prsonel management, peculiaritoes of its movement and development, the role of corporate culture in managerial system.

In chapter 2: provide the technological and economic characteristics of Xiomi Corporation, evaluate its humam resources management system and corporate culture

within the corporation.

In chapter 3: provide suggestions for improving human resource performance of the enterprise and strengthening its corporate culture.

4. Plan of qualifying master's thesis

No	Names of thesis chapters
1	THEORETICAL ISSUES REGARDING ENTERPRISE PERSONNEL MANAGEMENT
2	ANALYSIS OF THE EFFECTIVENESS OF THE PERSONNEL MANAGEMENT PROCESS
3	PROPOSALS FOR IMPROVING THE EFFICIENCY OF PERSONNEL MANAGEMENT AT ENTERPRISE

5. Date of assignment issuance 25 September 2024

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ABSTRACT

The qualifying master's thesis contains 105 pages, 18 tables, 8 figures and a list of 41 references.

The object of the research is the practice of personnel management.

The subject of the research is personnel management in Xiaomi Corporation.

Purpose of the master's qualification work is to develop recommendations for improving the practice of personnel management in Xiaomi Corporation.

Tasks of qualification master's work are:

- to study modern methods of personnel management;
- to consider the management of personnel movement and development;
- to study the corporate culture as part of the personnel management system;
- to present the technical and economic characteristics of the enterprise;
- to evaluate the effectiveness of the human resources of the enterprise;
- to conduct an assessment of corporate culture;
- to develop recommendations for improving the work of human resources in the enterprise;
- to develop proposals to strengthen the corporate culture at the enterprise.

The obtained results are of practical importance, since the key provisions and conclusions of the study are embodied in recommendations for improving the efficiency of personnel management in the company. This, in turn, contributes to improving the efficiency of the company as a whole.

Year of the qualification master's work completion: 2024

Year of the qualification master's work defense: 2024.

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INTRODUCTION

Rationale. In the modern world, human resources are an integral part of the activity of any enterprise. Unlike other resources, they have a reasonable and emotional component, which allows you to connect other resources of the enterprise, evaluate your activities and develop. However, for the effective work of personnel, a management system in the organization is necessary, since it establishes organizational, economic, social, psychological and legal relations between the subject and the object of management. To achieve the economic success of an organization in a dynamically developing market environment, continuous improvement of the personnel management system in the organization is necessary, which is impossible without the use of scientific achievements and advanced production experience.

Today, human capital plays the most important role in production, being a unique resource of any company. Like human resource management, it acts as an indicator of the effectiveness and advantage of an organization, determining its competitiveness both in local and global markets. It is high-quality human resource management that enables companies to be among the leaders in a certain market segment. Building this system at the proper level contributes to tangible transformations of the company, and also affects its economic efficiency.

Human resource management of an international company should be considered from two angles:

- firstly, it is the process of functioning and interaction between the managers of the parent company and subsidiaries operating abroad, as well as between them and their subordinates. It is characterized by consistency, continuity, dynamism, sufficient complexity, complexity, multifunctionality;
- secondly, human resource management is a system of relations between various economic entities, and in this sense, it is a set of objects and subjects of management, operating on the basis of certain principles and methods, as well as ensuring the implementation of managerial influences.

Among the scientists who have studied the problems of human resource management in international companies, E. Abrahamson, N. Adler, P. Almond, J. Benson, A. Van de Ven, J. Gambii, S. Ghoshal, P. Guderman, J. Dunning, B. De Witt, P. Dixon, J. Doz, K. Camacho stand out., H. Katz, K. Kim, T. Kostova, T. Levit, A. Meyer, P. Sperrow, P. Tolbert, O. Tregaskis, J. Child, E. Chang, G. Shulyansky, etc.

The object of the study is the practice of personnel management.

The subject of the study is personnel management in Xiaomi Corporation.

The purpose of the master's thesis is to develop recommendations for improving the practice of personnel management in Xiaomi Corporation.

The objectives of the master's thesis are:

- to study modern methods of personnel management;
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- to present the technical and economic characteristics of the enterprise;
- to evaluate the effectiveness of the human resources of the enterprise;
- to conduct an assessment of corporate culture;
- to develop recommendations for improving the work of human resources in the enterprise;
- to develop proposals to strengthen the corporate culture at the enterprise.

When writing a master's thesis, the following methods were used: analysis, synthesis, comparison, generalization, induction, deduction.

The theoretical and methodological basis of the study is the scientific and educational literature on the topic of the study, as well as scientific periodicals, materials of scientific conferences, data from Internet sources.

CHAPTER 1

THEORETICAL ISSUES REGARDING ENTERPRISE PERSONNEL MANAGEMENT

1.1. Modern methods of personnel management

The concept of personnel management is a system of theoretical and methodological views on understanding and defining the essence, content, goals, objectives, criteria, principles and methods of personnel management, as well as organizational and practical approaches to the formation of a mechanism for its implementation in specific conditions of functioning of organisations [15, p. 85].

The concept of personnel management of the organisation includes:

- development of personnel management methodology;
- formation of personnel management system;
- development of personnel management technology.

Methodology of personnel management includes consideration of the nature of the personnel of the organisation as an object of management, the process of formation of the behaviour of individuals in accordance with the goals of the organisation, methods and principles of personnel management.

The personnel management system includes the formation of goals, functions, organisational structure of personnel management, vertical and horizontal functional relations between managers and specialists in the process of substantiation, development, making and implementation of management decisions.

The technology of personnel management includes the organisation of recruitment, selection, admission of personnel, their business assessment, career guidance and adaptation, training, management of their business careers and professional advancement, motivation and work organisation, conflict and stress management, ensuring social development of the organisation, dismissal of personnel [15, p. 86].

Let's look at the types of management based on modern concepts of human resource management:

1. Results Management

This is a results-oriented management system with a decentralised management organisation. Tasks are delegated to working groups and the achievement of specific results is determined. Such a system has various stages of setting results, stages of measuring results and stages of monitoring results. Tasks delegated from the centre are monitored by comparing them with the results achieved.

Results management is not only a management system, but also a way of thinking and behaving of the members of the organisation. The authors of this concept, T. Santalainen, E. Voutilainen, P. Porenne and J. Nissinen, believe that the key to the success of corporate strategies is the desire of employees to achieve certain results. Therefore, results management focuses on motivating human resources, ensuring cooperation between all members of the workforce, employee development and continuous enrichment of the workforce.

Thus, results management can be defined as a process aimed at achieving goals and results in which:

- through the planning process, the aspirations of the organisation and its members at different time intervals are defined (in other words, the requirements for results and the expected results);
- the continuous implementation of plans is supported by conscious daily management of affairs, people and the environment;
- results are evaluated to make decisions that lead to follow-up activities [35].

2. Management by motivation

This model is based on the study of employees' needs, interests, moods, personal goals and the possibility of integrating motivation with the company's production requirements and objectives. Personnel policy under this model focuses on the development of human resources, the strengthening of the moral and psychological climate and the implementation of social programmes.

Motivational management is the construction of a management system based

on motivational priorities, based on the choice of an effective motivational model.

Various motivational models have been developed in management science and have found wide practical application in successful companies in developed countries.

The most traditional of these are:

- a rational motivational model based on the use of material incentives, i.e. rewards or penalties based on work results;

- a self-actualisation motivational model, the essence of which is to activate a person's inner motives for self-expression, creativity at work, recognition of merit, expansion of independence and responsibility, career prospects and professional growth;

- a motivational model of participation through the development of cooperation, partnership, participation in management, ownership, delegation of authority [35].

3. Framework management

This model assumes that employees can make independent decisions within pre-defined limits (frameworks). The framework can be set by the importance of the process, its unpredictability and norms that cannot be violated.

The technology of framework management includes the following sequence of actions: defining a task, assigning it to an employee, creating an appropriate information system, defining the limits of independence and ways of intervention by the manager.

Framework management creates conditions for the development of initiative, responsibility and independence of employees, increases the level of organisation and communication in the organisation, promotes job satisfaction and develops the corporate management style [35].

4. Delegation-based management

Delegation of authority has been used in management for a long time, meaning the transfer to a subordinate of functions assigned directly to the superior, i.e. the transfer of tasks to a lower level. Such a management model is often called the Bad

Harzburg model (the founder is Professor R. Hen, who worked in the German town of Bad Harzburg), the essence of which is the combination of three actions:

- clear statement of the problem;
- a clear definition of the decision-making framework;
- a clear distinction between responsibility for action and responsibility for results [35].

By design, this model aims to change employee behaviour through "leadership in unity with employees". The development of this model was dictated by the belief that the traditional authoritarian management style no longer corresponds to the democratic social structure, in particular to the requirements and abilities of a modern, highly skilled and self-thinking employee.

The model is based on the following principles:

- production decisions should be made at the level where they are needed and implemented;
- production decisions should not be made by individual top or middle managers in the job hierarchy, but by many employees;
- instead of individual tasks, each employee should be given a clearly defined area of activity within which he or she can make decisions;
- responsibility should not be concentrated only at the top, but should often be delegated to departments, to people who deal with these problems;
- the distribution of tasks should not be from top to bottom but from bottom to top, on the principle that only those decisions which cannot be taken competently at lower levels should be transferred to the highest level;
- the principles of the relationship between managers and employees should be clearly defined and formalised in a special document on the management of the company [35].

Compliance with these principles is mandatory for everyone.

The main advantage of this human resources management model is the development of employees' initiative, independence and motivation to work, which generally increases the efficiency of the organisation and its competitive advantages.

5. Participative management

This model is based on the premise that an employee will be more interested and productive if he or she participates in the company's affairs, is involved in its management and derives satisfaction from it.

Participative management can be implemented on the basis of the following conditions:

- employees have the right to make their own decisions regarding the planning of their work, the rhythm of work, the technology of solving problems, etc;
- management involves employees in the preparation and decision-making on the use of resources, the form of remuneration, the work schedule, etc;
- employees are given the right to control the quality of products and take responsibility for the final result;
- employees take part in innovative, entrepreneurial activities with different forms of remuneration [35].

From the point of view of the methodology of human resources management, the employee is transformed from an object of management into a management unit that independently solves the problems of the organisation's development. On the basis of self-management, an employee can realise his needs for self-expression, recognition and participation, and the company achieves high productivity and product quality.

6. Entrepreneurial management

The essence of this concept is to develop entrepreneurial activity within an organisation, which can be represented as a community of entrepreneurs, innovators and creators.

The main characteristic of an entrepreneurial organisation is the formation of an entrepreneurial philosophy that permeates the entire management system, including the human resources management system. The spirit of creativity, constant search for new opportunities, collective self-learning, partnership and trust encourages employees to self-realisation, innovation and cooperation within their own organisation.

The peculiarity of such management is its focus on a democratic rather than a coercive management mechanism, on the integration of entrepreneurial initiatives with corporate strategic plans.

In modern management science and practice there is a constant process of improvement, updating and searching for new approaches, concepts, ideas in the field of human resource management as a key and strategic resource of business organisations [35].

The choice of a particular management model is influenced by the type of business, corporate strategy and culture, and the organisational environment. A model that works successfully in one organisation may not be effective at all in another, because it has not been possible to integrate it into the organisation's management system.

Despite the diversity of approaches to human resource management in organisations in the world, differences in the means and methods of their practical implementation, it is possible to formulate the basic principle of the modern concept of human resource management: the main thing is the recognition of human resources as a decisive factor in the effectiveness and competitiveness of the organisation, as its key resource with economic usefulness and social value.

Definitions of human resource management are given in Table 1.1.

Table 1.1

Definitions of human resource management

Author	Definition
1	2
Gary Dessler	a process of acquiring, training, appraising, and compensating employees and attending to their labor relations, health and safety, and fairness concerns
Michael Jucious	as the field of management involves planning, organizing, directing, and controlling the functions of procuring, developing, maintaining and motivating a labor force
Ricky W. Griffin	the set of organizational activities directed at attracting, developing and maintaining an effective workforce
Robert Kreitner	involves the acquisition, retention, and development of human resources necessary for organizational success
James A. F. Stoner	deals with recruitment, placement, training, and development of organization members
Byars and Rue	encompasses those activities designed to provide for and coordinate the organization's human resources

Source: [21].

The versatility of human resource management suggests many directions for this important issue. The following aspects of human resources management can be distinguished:

- the technical and technological aspect implies the need to take into account the level of development of a given production, the peculiarities of the equipment and technologies used in it, and the production conditions;

- the organisational and economic aspect makes it possible to identify questions relating to the planning of the number and composition of employees, moral and material incentives, the use of working time, etc;

- the legal aspect of the problem includes issues of compliance with labour legislation in the management of staff;

- the socio-psychological approach deals with the issues of socio-psychological support for personnel management; the introduction of various sociological and psychological methods into work practice;

- the pedagogical aspect concerns the problems related to the education and training of staff.

Human resources management is based on the development strategy of a specific organisation

The objectives of the organisation are characterised by three features:

- they reflect the desired state of affairs in the future;
- they are binding for all employees of the company;
- they are officially approved and endorsed by the company's management [10, p. 28].

The most common objectives of the organisation's human resources management are:

- improving the company's competitiveness in the market;
- increasing the efficiency of production and work (achieving maximum profit);
- ensuring high social efficiency of team functioning.

Successful fulfilment of the set goals requires solving such tasks as:

- ensuring the organisation's labour needs in the required amount and with the required qualifications;
- achieving an appropriate ratio between the categories of the organisation's personnel;
- full and effective use of the potential of the employee and the team as a whole [10, p. 30].

The principles of human resource management are the rules, basic theoretical provisions and norms that managers and specialists should follow in the human resource management process.

Modern approaches to human resource management distinguish the following management principles:

- emphasis on a strategic approach to human resource management;
- the approach to the employee as a decisive factor in the effectiveness and competitiveness of the organisation;
- the economic feasibility of investing in the training and development of human resources;
- social partnership and democratisation of management;
- enriching work and improving the quality of working life;
- continuous training and development of human resources;
- professionalisation of human resources management.
- unity of management;
- selection, recruitment and placement of staff;
- a combination of unity of command and collegiality, centralisation and decentralization [39].

The main functions of human resource management include the following

- organising the use of human resources through the so-called "organisational design" of the company, work planning and organisational development of the company;
- improving the quality of labour relations by creating an environment of trust

in the organisation, developing a positive psychological climate;

- providing human resources by planning their future needs in terms of quantity, quality and competence, as well as recruiting and selecting the right number of employees to meet the company's needs;

- managing labour efficiency through employee evaluation and certification;

- development of human resources through the organisation of staff training at both individual and company level, management development and career management;

- compensation management - developing compensation systems based on equality, fairness and transparency;

- organising a system of relations both at sectoral level (by "building relationships" with trade unions) and within the company itself (by giving employees the opportunity to express their opinions, providing them with information and consulting them on issues of mutual interest);

- ensuring the loyalty of the company's employees. Loyalty, in turn, is inconceivable without employees' trust in their employer, and trust therefore becomes a necessary condition for hiring labour, since it guarantees the respect of the contract between employer and employee;

- trust management is an integral part of the work of modern managers, including the study of the level of trust between an employee and his employer, the development and implementation of measures to increase trust (for example, programmes for adapting new employees, holding meetings at which the employer's policy towards its employees is explained, its understanding of social responsibility, the creation of a transparent system of motivating employees, which allows employees to trust the assessment of their work and the amount of remuneration paid);

- image management requires managers to pay particular attention to the functioning of the internal microclimate and rumours inside and outside the organisation, since the image of the organisation on the labour market depends to a large extent on employees' statements and not on official assessments and ratings;

– formation of the organisational culture of the company, which should correspond to what is promoted externally. It allows you to make a real breakthrough in the organisation's activities;

– talent management is an important function of people management. The organisation expects talented people not only to deliver high results, but also to be innovators who can think outside the box. This means developing creativity and encouraging a non-standard approach to problem solving. The responsibility for developing talent also falls to HR professionals. They will need to develop programmes that encourage creativity and develop the creative skills of employees [35].

In the constantly changing field of human resources, it is essential for HR technology to remain ahead of the curve and anticipate its impact on jobs and workers in the future of work. Here are eleven significant HR trends expected in 2024 that concentrate on enhancing jobs and workers through innovative strategies, benefiting both businesses and individuals.

The comprehensive list of eleven key HR trends includes:

1. Technology integration. The integration of advanced technologies such as artificial intelligence (AI), machine learning, and automation is transforming HR processes. This transformation enables streamlined recruitment, enhances employee experiences, facilitates data-driven decision-making, and creates new jobs in the business sector. The trend is reshaping the way people work and interact with technology.

2. The COVID-19 pandemic accelerated the adoption of remote work, which is a significant development in technology trends. The shift to remote work has had a lasting impact on people, businesses, and the field of PR. Remote work is not a temporary solution, but a revolution that is here to stay. In the current business landscape, companies must adapt their policies and practices to support a growing trend in HR. This trend involves accommodating a hybrid workforce model that caters to the needs of both in-office and remote workers. To do so, businesses should implement flexible schedules and leverage remote collaboration tools.

3. Diversity, Equity, and Inclusion (DEI): Many people and businesses now recognize the importance of fostering diverse and inclusive workplaces. To create a more inclusive environment, organizations are prioritizing DEI. In 2024, businesses will prioritize DEI initiatives by implementing unbiased hiring practices to attract diverse candidates, offering diversity training programs for employees, and creating inclusive cultures that value all individuals.

4. Businesses are placing greater emphasis on the well-being of their employees by providing resources such as counselling services, wellness programmes, and flexible work arrangements. This includes promoting a healthy work-life balance to support employee mental health.

5. In order to remain competitive, organisations will need to upskill and reskill their employees due to the rapid reshaping of job requirements caused by technological advancements. Businesses may invest in training programs to equip individuals with the necessary skills for emerging roles.

6. The use of data analytics tools in HR can enable data-driven decision-making in areas such as talent acquisition, performance management, employee engagement, succession planning, and overall business success.

7. Additionally, integrating the gig economy into business operations can provide new opportunities for growth and success. The expansion of the gig economy requires employers to adapt their workforce models to accommodate the needs of individuals. To effectively manage their diverse workforce, businesses must incorporate freelancers or independent contractors into their talent pool. This is crucial for successful business operations and to meet the needs of all involved.

8. The use of flexible work arrangements is essential. In response to changing employee expectations, organisations will offer flexible work arrangements, such as compressed workweeks, job sharing, and flexible scheduling options.

9. Companies will focus on enhancing the overall employee experience by investing in personalised onboarding processes, career development opportunities, recognition programs, and fostering a positive organisational culture.

10. The Agile Performance Management approach will be employed.

Traditional performance management systems are being replaced with agile approaches that emphasise continuous feedback, goal setting, and coaching conversations throughout the year rather than relying solely on annual reviews. These agile approaches are designed to better meet the needs of people and improve overall performance.

11. As sustainability gains global importance, organizations are integrating environmentally friendly practices into their HR strategies. This includes promoting remote work to reduce carbon footprints and implementing eco-friendly initiatives in the workplace. These practices benefit both the environment and people [18].

These 11 HR trends for 2024 emphasise the significance of adapting to emerging challenges and capitalising on new opportunities in the ever-changing world of work. By embracing these trends and utilising innovative HR strategies, companies can enhance their workforce's productivity, engagement, and overall success. This is particularly important in today's competitive market where people are crucial to driving business growth.

Thus, the concept of personnel management is a system of theoretical and methodological views on understanding and defining the essence, content, goals, objectives, criteria, principles and methods of personnel management, as well as organisational and practical approaches to the formation of a mechanism for its implementation in specific operating conditions of organisations.

Based on modern concepts of personnel management, the following types of management are distinguished: result-oriented management, motivational management, framework management, delegative management, participative management, entrepreneurial management.

The main functions of human resources management include: organising the use of human resources, improving the quality of labour relations, providing human resources, managing labour efficiency, developing human resources, managing reward systems, organising a system of relations, ensuring employee loyalty, managing trust, managing image, shaping organisational culture, talent management.

The main trends in HR management are Technology integration, adoption of

remote working, diversity, equality and inclusion, skills development for business, data analytics for business, integration of the gig economy for business, flexible working conditions, companies will focus on improving the overall employee experience, flexible performance management.

1.2. Management of movement and development of personnel

Development, as a set of activities carried out by the organization for its employees, aimed at the fullest disclosure of the professional, personal and creative potential of each of them, is an integral element of the entire personnel management system of the organization. Personnel management, as the science and practice of managing people, in turn, is inseparable from the general theory of management.

Personnel Development is any effort made by an organization, usually planned and implemented with significant resources, to increase the knowledge, skill, experience, commitment, or value of employees to improve their performance [28].

When an organization invests in its people, it paves the way for success. Personnel Development provides employees with opportunities to grow so they can perform at their best. But this type of development is more than just learning new skills.

It's about helping employees find their passion and bringing out their full potential. This means that employees can more easily meet the challenges of their roles and gain valuable experience, which helps them to become better employees in the future [28].

The general objectives of Personnel Development:

1. To Enhance Knowledge of Employees

Organizations need to help their employees to keep up their knowledge in tune with the contemporary trends. This is especially so in these days of explosive improvements and innovations in science and technology. Organizations should support their personnel in the battle against obsolescence. Personnel are to be exposed to refresher courses and developmental programs with a view to improve

their utility to the organization.

2. Improve Job Related Skills

Some employees are not able to perform their jobs well. They lack insufficient skills and knowledge of their assignments with the result that they produce poor quality and volume of output, waste resources, damage equipment and tools, insufficient respondly to the supervisor's instructions and so on. They need a training course for the purpose of removing their deficiencies and fitting them to their jobs.

3. To Develop Proper Job-Related Attitudes

The employees have to be trained to develop positive and helpful attitudes towards their jobs, superiors, colleagues and juniors, the goals, policies and procedures of the organization and to the environment of the work place.

Employees sometimes tend to be ignorant, indifferent and even hostile towards their jobs in their inter-personnel relations and to the work culture. Attitude development and socialization of the personnel is essential for generating teamwork, ensuring discipline and maintaining consistent behaviour.

4. To Prepare for Higher Responsibilities

The personnel need to have opportunities for advancement in their careers. Concurrently, they should also be striving for assuming higher responsibilities and performing more complex tasks with competence. For this purpose, an organization may design a system whereby opportunities are made available to personnel for their career advancement and simultaneously preparing them through training for higher positions.

5. To Facilitate Organizational Changes

Organizations need to be dynamic to cope with, adjust and adapt to the changes in technology and other environmental forces. The personnel have to be conditioned to learn new skills and capabilities to enable them to be receptive to required changes and to assimilate them.

For this purpose, they are to be properly trained. Training of personnel is one of the approaches for the organization to win over their resistance to change which is caused by fear, anxiety and unfamiliarity [24].

To ensure the effectiveness of personnel development, it is necessary to adhere to some principles in managing this process:

- firstly, the unity of the personnel development system, the continuity of its methods, forms and types;
- secondly, the outstripping nature of the development and training of personnel on the basis of forecasting the vectors of development of scientific and technological progress, the conditions for the development of the organization;
- thirdly, the variability of methods, forms and types of development and training, the flexibility of their application at all stages;
- fourthly, motivation and stimulation of the development of human resources at the professional and social levels;
- fifthly, updating the personnel development system, taking into account the socio-economic conditions of the functioning of the organization, its organizational and financial capabilities [23].

Today, the management of personnel development is influenced by various factors and conditions. The most important and relevant at all times are such factors as competition, the economic and political situation in the world and in the country, the development of technology, informatization, etc.

Human resource development improves the performance of employees through proper training and develops openness, trust, collaboration among the employees to identify the organizational needs and shows the path to move on for achieving the same. Thus, the following are some of the important benefits which are the outcome of implementing human resource development (HRD) in any organization:

- HRD helps in identifying organizational goals through better understanding of employees;
- HRD fosters commitment through the communication of values;
- HRD facilitates dyadic relationship;
- it facilitates job enrichment through proper training and acquisition of new skills;
- HRD increases the awareness of the importance of change management and

consequent adaptability of employees;

- HRD provides higher quality of work life through opportunities of a meaningful; career, job satisfaction and professional development;

- it focuses on need contentment through recognition and achievement. With an appropriate HRD program, people become more committed towards their job, people are assessed on the basis of their performance;

- HRD makes people more competent. It develops new skills, knowledge and attitudes of the people in the organization concerned;

- a congenial and a cohesive environment could be developed with the implementation of HRD programs;

- employees found themselves more capable of handling competition;

- proper human resource development (HRD) policies promote openness in the attitudes of the employees working in the organization, it contributes to the overall growth of the employees;

- resources are utilized in an optimum manner;

- it helps in developing a sense of belongingness among the employees and increases the participation rate among them;

- it also helps in collecting data for human resource planning [37].

The direct participation of the management in the professional development of personnel provides the following benefits:

1. The effectiveness of current work – if the company's management is focused on personnel training, this means that your employees will learn from their mistakes and reduce them to a minimum. If management or experts teach the personnel how to work or act in any given situation, it will provide personnel with new skills and knowledge. As a result, the range of functional responsibilities of employees can be significantly expanded without additional time spent.

2. Working capacity of the personnel – the value of qualified employees cannot be seen immediately. It increases with time, during the accumulation of professional know-how and skills. Persistently and systematically working on professional skills will protect your company from stagnation; you will always meet the requirements of

the modern market. In turn, the development and growth of your employees' capabilities guarantee independence from external consultants and other divisions of the company.

3. Career prospects – by teaching personnel and expanding its functionality, you will save a lot of time and effort for expanding the range of your responsibilities [32].

The personnel development strategy involves, first of all, the training of employees of the organization.

Personnel training is a purposefully organized, planned and systematic process of mastering knowledge, skills, abilities and ways of communication under the guidance of experienced teachers, mentors, specialists and managers.

In this case, the process is aimed at obtaining:

- knowledge – theoretical, practical and methodological, necessary for the employee to perform his job duties;
- skills – the ability to perform their job duties;
- skills – a high degree of ability to perform their job duties, up to automatism;
- ways of communication and behavior - the development of behavior, actions, actions, mastery of a professional vocabulary that meets the requirements of the job description [27].

Experts divide training into three types:

1. Training of personnel is a systematic and organized training and release of qualified personnel for all areas of human activity, possessing a set of special knowledge, skills and methods of communication.

Personnel training is carried out by:

- professional educational organization – conducts educational activities in educational programs of secondary vocational education and (or) in vocational training programs;
- educational organization of higher education – an educational organization that, as the main goal of its activities, carries out educational activities in educational programs of higher education and scientific activities.

In addition, training of personnel can be conditionally divided into the following types:

- professional initial training, which is the foundation for further professional development (for example, bachelor's training);
- professional specialized training, which deepens the acquired knowledge, designed to master the specific features of the profession (for example, the preparation of masters) [4].

2. Professional development of personnel is the training of employees in order to improve knowledge, skills, abilities and ways of communication in connection with the growth of requirements for the profession or promotion.

This type of training is carried out by educational organizations of higher education, as well as organizations of additional professional education, i.e. educational organizations that carry out educational activities in additional professional programs as the main goal of its activity.

Professional development as a type of training is divided into two types:

- improvement of professional knowledge and abilities, which specializes in bringing existing knowledge, skills and abilities into line with the requirements of time, organization, consumer behavior, competitors;
- professional development for the purpose of career advancement, the purpose of which is to acquire knowledge, skills and abilities that prepare an employee to solve more complex managerial tasks [4].

3. Retraining of personnel – training of personnel in order to master new knowledge, skills, abilities and ways of communication in connection with mastering a new profession or changing requirements for the content and results of work.

Retraining is carried out by employment centers, training centers and other educational institutions in the form of special courses for the development of new competencies.

The concept of "training" is broad and includes various concepts:

1. The concept of specialized training is focused on today or the near future and is relevant to the relevant workplace. This type of training is effective for a

relatively short period of time, but from the employee's point of view, it contributes to job retention and also maintains self-esteem.

2. The concept of multidisciplinary training – increases the intra-production and out-of-production mobility of the employee, but at the same time creates a risk for the organization, since such an employee has the opportunity to choose a company, and therefore he is less attached to it.

3. The concept of personality-oriented learning, the purpose of which is the development of human qualities, inherent in nature or acquired in practice. This concept applies primarily to employees who have a penchant for scientific research and have the talent of a leader, mentor [27].

The areas of study are divided into:

1. Product training – the transfer of knowledge about the product (services). This training is conducted to get acquainted with the specifics of the company's activities, to foster loyalty towards the employer. It begins with the onboarding of new employees, during which a course is given about the company's products or services.

2. Skills training – development of business skills. This is an action that, through systematic training and repetition, can become almost a conditioned reflex, helping to achieve goals on a subconscious level. These include time management, negotiation skills, presentations. Most of the time, this is done through training.

3. Functional and industrial training. The goal is to improve professional knowledge and skills. This direction includes highly specialized knowledge and skills aimed at expanding the subject area.

4. Development of leadership qualities. This type of training is used for the personnel reserve. It is carried out in the form of trainings. After them, the staff begins to take a fresh look at the usual business processes and the system of relations in the company. The attitude to the values of the company also becomes different [19].

The human resources department of the organization is directly responsible for the implementation of the training. In this regard, the division carries out activities in

the following areas as part of staff training:

- personnel training planning, which includes an analysis of the qualification structure of the organization and educational institutions, as well as market requirements; identification of priority areas of study; analysis of the organization's capabilities, selection of the most optimal option for personnel development;

- organization of the learning process, including the definition of a list of positions subject to training; knowledge, skills and abilities necessary for mastering; objects and subjects of the learning process; the effectiveness of the event;

- creation of conditions for the implementation of training and control over it.

There are three types of professional development:

- intra-production, i.e. on-the-job training;

- non-production, i.e. outside the workplace;

- selfeducation.

Each of these types has its own characteristics and methods or ways of professional development:

1. In-production (or on-the-job training) is associated with the development of new professional competencies within the walls of the organization. The positive aspect of such training is, first of all, the reduction of material and time costs for this process and the mastery of professional knowledge and skills, taking into account the specifics of the activities of employees, their own equipment and the technological process, i.e. the ability to adapt teaching methods and training material. In addition, such training can be organized at a convenient time for employees and the organization and interrupted if necessary.

The disadvantages of on-the-job training include the limited provision of training material and the availability of qualified teachers in the organization itself, especially in a constantly evolving innovation space. Applying only in-house training, the manager runs the risk of falling behind consumers, suppliers and competitors [25].

Methods of in-house personnel training:

- directed acquisition of experience. Any employee in an organization gains

experience over the years, that is, one can say that he is engaged in professional development. From the point of view of personnel management, the acquisition of experience should be directed, that is, under the guidance of either the head of the unit or the personnel specialist. In this case, an individual employee development plan is developed, which is constantly monitored and improved;

- production instruction. When hiring or moving from one workplace to another, the employee must be instructed. Mandatory safety briefing or developed for a specific workplace, reflecting the specifics of the activity. This type of training has the following advantages: rapid development, focused on the development of specific labor operations; if the procedure is properly organized, any employee of the unit can instruct, and if there is a competent instruction, the employee can be trained without the help of employees. The disadvantage is the limited application of the method, since it is possible and effective only at the stage of entry into office;

- the use of employees as assistants, trainees. This method offers the development of new professional competencies through the implementation of practical actions organized and controlled by the head of the unit or mentor, who, in turn, in the process of evaluating the employee's performance, decide whether or not to perform labor functions independently. This method of training is popular in manufacturing enterprises when training workers, since it significantly reduces training time and improves the quality of work;

- preparation in project teams. In organizations, it is increasingly possible to meet project teams, employees of the organization, formed to carry out a specific project, event. From the point of view of professional development, such groups should include both experienced workers - (professionals), as well as beginners or workers with an insufficient level of knowledge and skills, since during the implementation of the project there will be an exchange of knowledge and skills, the formation of professional skills, attitude to work and organization . The effectiveness of this method of training presupposes, first of all, the professionalism of the group's employees and the presence of a corporate culture in the organization;

- mentorship. A training method that involves the transfer of professional

knowledge and skills, as well as professional behavior from an experienced employee (mentor) to a novice or less experienced employee in the process of joint performance of labor functions. With a properly organized mentoring process, training is much faster and better, providing significant opportunities for repetition and consolidation of new knowledge and skills that are necessary to perform production tasks. Unfortunately, mentoring involves the transfer of already existing experience in the organization, while new methods of work are not explored;

– increasing complexity method. This method is difficult from the point of view of the process of its organization and effective from the point of view of professional development at the initial stage. It implies the development of a special program of tasks, which are built on the principle of constant complication or expansion of tasks, as well as increasing responsibility for their implementation. The developed program is implemented by a new or less experienced employee under the guidance of the head or an experienced employee of the unit. The final stage of such a program is the independent performance of tasks;

– coaching (coaching - training or joint achievement). Relatively recently, this method of training came to the organization, but immediately showed its effectiveness. The essence of such training is an invitation from a consultant (coach), who, in the process of various kinds of conversations and trainings, clarifies his own goals for employees and, together with them, develops options for their successful achievement through internal resources and sources of motivation. A distinctive feature of coaching is not the passive transfer of knowledge and skills, but training in close interaction with employees, which contributes to the development of time management skills, interpersonal communications, public speaking and self-presentation, negotiation and meetings, delegation of authority, team building, leadership. The big advantage of coaching is that that this type of training takes into account and develops the individual characteristics of each employee. For the organization, a short (on average, a lesson lasts for one hour) and flexible training schedule is positive [14].

Thus, on-the-job training is distinguished by its practical orientation, direct

connection with the employee's production functions, and, as a rule, provides significant opportunities for repeating and consolidating the newly learned. Therefore, it is effective mainly for developing the skills required to perform current production tasks.

2. Non-production or training outside the workplace is the acquisition of new professional competencies outside the organization, i.e. in educational institutions (universities, organizations of additional professional education, training centers and others). This type of training is aimed primarily at obtaining new information, knowledge, skills, labor competencies.

Experts refer to the positive features of non-productive training as the competence and professionalism of trainers, which contributes to an increase in the level of education quality; obtaining timely information related to the latest achievements of science and technology, which increases the competitiveness of the organization as a whole; as well as the ability to communicate with various people of a certain field of activity, which greatly motivates the employee and broadens his horizons.

The negative aspects of the process under study can be noted an increase in material and time costs, including the cost of paying for training, travel expenses and payment to employees replacing the student at the workplace; an increase in the risk of not obtaining, after an employee has completed training, certain competencies necessary for an organization, since most often training takes place according to a general program, not taking into account the specifics of companies' activities [17].

Methods of non-productive training of personnel:

– reading lectures. The method is associated with the passive acquisition of knowledge over a certain period of time, transmitted by an experienced teacher or practitioner. In this case, the simultaneous transfer of knowledge to a large number of employees can be considered a plus, so it is economically beneficial, provided that the material is theoretical and does not require the formation of practical skills. This method also has disadvantages - this is the lack of feedback, limited perception and independent understanding of the material, a decrease in interest;

– conferences, seminars, trainings, business games, consideration of practical situations (cases). The listed methods refer to active teaching methods, i.e. they are aimed at acquiring new knowledge or competencies through solving practical problems, business games, working out educational material, and studying practical experience. They significantly increase the efficiency of mastering knowledge, acquiring new professional skills, developing methods for making managerial decisions and behavior;

– distance learning. Such training involves the acquisition of new professional competencies through the use of modern information and telecommunication technologies that allow the process to be implemented at a distance without direct contact between the teacher and the student. This is an advantage of distance learning, which provides the employee with a free choice of the timing and pace of mastering knowledge and skills. Another positive aspect is the economic benefit for the organization associated with a reduction in the cost of professional development of personnel (they should not be distracted from their professional activities). The negative aspects include a decrease in the quality of educational services provided, as well as control over training. Besides,

– business simulations (game technologies) are a modern way of practical development of effective algorithms of actions in real conditions of activity. They can be implemented both in an interactive form and traditionally - in the room, students are divided into several groups and "play games", i.e. solve practical problems. Thanks to this type of training, game participants can look at their professional activities from a different angle and get a more complete picture of it. In addition, this type of training activates the process itself, unites the team and makes it possible to train a large number of company employees at once;

– methods for solving production and economic problems with the help of models. Such learning is a simulation of certain processes that may occur in competing organizations. Trainers are assigned roles in a given company and set specific tasks. With the help of the initial data, they must make management decisions to complete the tasks. Then there is a discussion of the proposed options

and an assessment is made of the specific actions of employees [14].

3. Independent learning presupposes, first of all, the desire of the employee to develop professionally and to determine the direction of development, the amount of educational material, the time and place of training. With such training, the employee himself determines the pace of assimilation, the number of repetitions and the duration of classes. For the organization, this type of training reduces the cost of professional development of staff, and the employee becomes more competitive in the labor market. The negative aspects include the risk for the organization to lose a more competitive employee. In addition, with the proper organization of self-learning, the company needs to develop and provide employees with effective aids - textbooks, problem books, training programs, as well as a motivation system.

Self-study methods:

– working group or quality circle. The first mention of such groups can be found in Japanese companies using the tools and methods of lean manufacturing. The working group involves bringing together workers of different skill levels to solve either a specific problem or to develop proposals for improving their production processes or the activities of the company as a whole. A big plus of such groups is the involvement of each employee in the labor process and the constant improvement of their activities, which implies independent development;

– rotation (change of workplace) is the movement of an employee from one workplace to another, which involves the independent acquisition of new professional competencies. Rotation for an employee is one of the effective ways of professional development, increasing motivation, expanding contacts with the team, overcoming stress caused by the monotony or monotony of performing work functions. For an organization, rotation solves one of the most important problems - the interchangeability of employees, i.e. the manager creates a team of multifunctional workers who can replace a colleague during vacation, illness or business trip. The negative points, as in all other types of training, include the time and material costs of the organization.

The effectiveness of the application of all the above types and methods of

training involves taking into account and using the principles of personnel training in their management activities:

1. Education should be aimed at the comprehensive development of the individual in the areas of human activity (managerial, economic, pedagogical).

2. In the process of obtaining knowledge, skills and abilities, it is necessary to tune in to targeted intensive training based on a wide range of training modules.

3. To activate this process, it is advisable to use active learning methods, as well as to attract highly qualified scientists, teachers, leaders, so that training is focused on the personality of the teacher.

4. To control the acquisition of knowledge, skills and abilities, flexible feedback from students, as well as a comprehensive assessment of their potential, is necessary.

5. The learning process should be directed to a specific person, so it is necessary to use the individual group method of teaching.

6. To optimize learning, you can apply the automation of the educational process, which currently reduces time, material and psychological costs [26].

Several changes in the approaches to staff development have become evident, both conceptually and in practice. Several of these practices or trends are noted in the following comparative statements. Staff development has moved:

- away from in-service training towards staff development as talent management;

- away from staff development as a single event towards staff development as a continuous process;

- away from a focus on remediation towards a process of building on personal strengths;

- away from sporadic and uncoordinated activities towards the planning and utilization of systematic strategies that center on defined objectives;

- away from a singular focus towards a multiple approach with varied programs and leadership strategies;

- away from a passive approach towards a proactive approach based on

personal initiative and professional interests;

– away from staff development as an isolated activity toward staff development activities linked with other human resources processes;

– away from limited control and evaluation towards both self- and system evaluation and control [33].

Thus, personnel development is a system of interrelated actions that include the development of a strategy, the processes of forecasting and planning the request and needs for personnel, the management of professional growth and career, as well as the organization of the process of training, education, the formation of organizational culture, adaptation.

All the resources spent on personnel development, with proper control, will soon and fully justify themselves. The growing interest in personnel development on the part of companies is determined by their need to have personnel whose level of training meets the requirements of the time.

The personnel development strategy involves the training of employees of the organization, advanced training of personnel, retraining of personnel. Personnel training is a purposefully organized, planned and systematic process of mastering knowledge, skills, abilities and ways of communication under the guidance of experienced teachers, mentors, specialists and managers. Further training of personnel is the training of employees in order to improve knowledge, skills and ways of communication in connection with the growth of requirements for the profession or promotion. Retraining of personnel - training of personnel in order to master new knowledge, skills and methods of communication in connection with mastering a new profession or changing requirements for the content and results of work.

1.3. Corporate culture as part of personnel management system

The term corporate culture began to be widely used and studied in the late 1980s. Since then, many economists, managers, academics and researchers have

begun to interpret the concept in their own way. For example, in 1986, the famous American inventor and businessman Gareth Morgan defined corporate culture as "one of the ways of conducting organisational activities through the use of language, folklore, traditions and other means of transmitting basic values, beliefs and ideology that guide the company's activities in the right direction" [9, p. 54].

On the basis of the above, it is possible to define the corporate culture, i.e. the rules within the company on which the formation of the microclimate of the team and its interaction within the entire organisation is based. In other words, this is what allows the manager to create favourable working conditions and thus bring employees together.

In a 2013 article published by John Coleman in the Harvard Business Review, he outlines the six elements that comprise the corporate culture of any business: vision and declaration of intent, values, behaviors, practices, people, and narrative (Table 1.2).

Table 1.2

Elements of the corporate culture

Element	Description
Vision	great corporate culture starts from a vision or declaration of intents
Values	business values are the epicentre of its culture. Whilst “vision” details the goals of the business, the values provide a series of guidelines on behaviours and thought processes required to reach that vision
Practices	the values have little worth if they are not endorsed by the business practices
People	no business can build a cohesive corporate culture without people who share its basic values or possess the abilities and desire to embrace those values
Narratives	every business has a unique story to tell, and the ability to bring it to light and transform it into a narrative is a vital element in the creation of corporate culture
Places	places, be they geographic, architectural or aesthetic, have an influence on the values and peoples’ behaviours in the workplace

Source: [31].

A company's corporate culture is crucial as it motivates employees, attracts customers, and shapes the company's processes and ways of working. Additionally, it reflects the thoughts and feelings of the organization's members.

A solid company image projected by the corporate culture helps attract talent,

reduces turnover, and builds employee loyalty.

Furthermore, it promotes team autonomy by eliminating the need for managers to constantly repeat rules. A positive corporate culture implicitly establishes these guidelines, which employees incorporate into their daily work.

This streamlines processes by ensuring that each individual understands their role and how to act within the organization. As a result, there are fewer problems and inappropriate behaviours, reducing the time and effort required to resolve any issues.

Positive corporate culture can improve the work environment by avoiding management or employee coexistence issues, increasing employee commitment, and promoting teamwork.

Additionally, it can reinforce the brand image as employees feel more valued and offer better services to clients, ultimately impacting the company's productivity and customer loyalty [1].

Corporate culture is a crucial factor in a company's success and can greatly impact employee satisfaction, engagement, and performance. The following are some of the most commonly cited aspects that are essential in creating and understanding corporate culture (Table 1.3).

Table 1.3

Aspects of understanding corporate culture

Aspect	Characteristic
1	2
Leadership and management style	The way in which leaders and managers interact with employees, make decisions, and set expectations has a significant impact on corporate culture. An open and supportive management style can encourage employee engagement and trust, while a more authoritarian approach may lead to a more rigid and hierarchical culture
Company values	The basis of a robust corporate culture is the company's defined values and a compelling statement. These guiding principles inform decision-making, shape employee behaviour, and drive the company's actions. It is essential to ensure that employees understand and embrace the company's values and mission to foster a cohesive, goal-oriented culture.
Organizational structure	The structure of an organization, including reporting lines, team configurations, and the division of responsibilities, can influence the corporate culture. A flatter and more decentralized network can promote collaboration and agility, while a hierarchical structure may lead to a more formal and controlled environment.

Communication and collaboration	Open communication and cooperation at all levels of the organization are crucial for fostering a positive organizational culture. Creating a space where employees feel comfortable sharing their ideas, concerns, and opinions can promote transparency, trust, and innovation.
Employee recognition and rewards	Recognizing and rewarding employee achievements, risk-takers, and contributions can help to create a culture of appreciation and motivation. By implementing a comprehensive reward system that values individual and team accomplishments, companies can encourage employees to strive for excellence and maintain a high level of engagement
Learning and development opportunities	Providing employees with opportunities for professional growth and skill development can contribute to a culture of continuous improvement and innovation. Investing in employee development demonstrates a company's commitment to nurturing talent and empowering its workforce.
Workplace environment	The design and layout of a workplace can significantly influence corporate culture. It is important to note that the physical environment is just one aspect of corporate culture and should be considered alongside other factors. A well-designed office space that promotes collaboration, comfort, and creativity can enhance employee satisfaction and productivity.
Work-life balance	This can contribute to a more supportive and understanding corporate culture. Recognising the significance of employees' personal lives and well-being, companies can promote loyalty and reduce burnout by encouraging a healthy work-life balance and offering flexible work arrangements.
Diversity and inclusion	A corporate culture that is diverse and inclusive values and respects the unique perspectives, experiences, and backgrounds of all employees. By fostering an equal-opportunity environment and encouraging open dialogue, companies can drive innovation and create a more dynamic and resilient workforce.
Social responsibility	Companies that prioritise social responsibility and ethical conduct can cultivate a corporate culture that is both compassionate and sustainable. By engaging in initiatives that positively impact the environment, local communities, and other stakeholders, organisations can inspire their employees and reinforce their commitment to making a difference.

Source: [6].

The functions of corporate culture include:

- security: the creation of a barrier against unwanted external influences, implemented through prohibitions and taboos;
- integrating: creating a sense of belonging to the organisation, pride in it, the desire of outsiders to join it, which is extremely important in solving personnel problems;

– regulatory: maintaining the necessary rules and norms of behaviour of the members of the organisation, their relationships, contacts with the outside world, which is a kind of guarantee of stability and reduces the possibility of undesirable conflicts;

– adaptive: facilitating the mutual adaptation of people to each other and to the organisation; implemented through common norms of behaviour, rituals, rites, which also "educates" employees;

– orienting: directing activity in a particular direction;

– motivating: creating the necessary incentives for the implementation of the orientation function;

– forming the image of the organisation: its image in the eyes of others, which is the result of people's involuntary synthesis of individual elements of corporate culture into an elusive whole [36, p. 76].

In practice, the three levels of the organizational culture model are sometimes presented as an onion, as they correspond to three different layers: “surface”, “subsurface”, and “deep” (Figure 1.1).

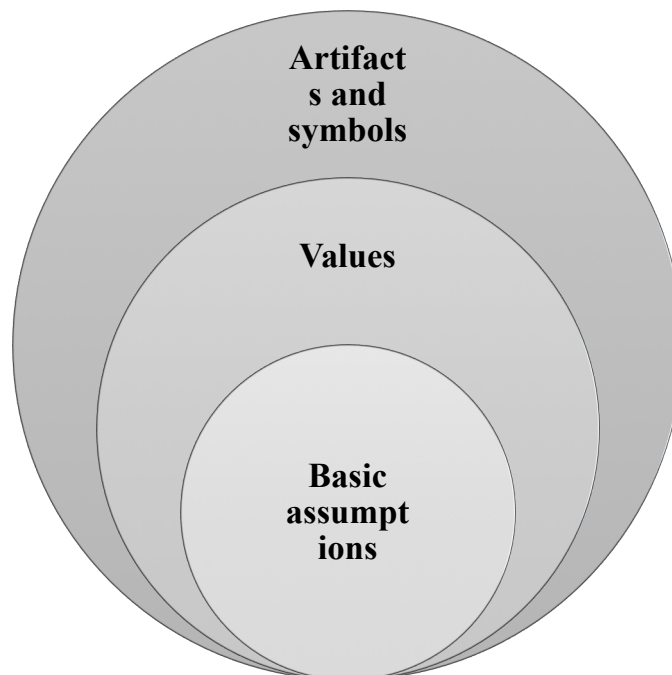


Fig. 1.1. Levels of organizational culture according to E. Schein

Source: [12].

The deeper the layer, the harder it is to influence.

Artefacts and symbols make up the outer, "surface" layer of the onion, and can be modified or adapted with relative ease.

Between this layer and the 'subsurface' layer of values, there may be another layer in which we find the so-called 'heroes': people who play or have played an important role in the organisation and who are admired.

The "deep" layer, the core of the onion, is made up of basic assumptions about "how the world works", according to the attitudes of the people in the organisation, based on their experiences and perceptions [12].

Dr. Robert Quinn and Kim Cameron of Michigan conducted significant case studies and analyses on company culture. In 1983, they created the Organizational Culture Evaluation Method (OCAI), which examines 39 different aspects of corporate efficiency and identifies two distinct polarities: internal concentration and integration versus external attention and differentiation. The Competing framework, developed by Robert Quinn and Kim Cameron, describes the second polarity as Stability and Control versus Flexibility and Judgment. OCAI targets four distinct types of company culture, including:

1. The culture of the adhocracy

Adhocracy cultures balance two opposing values: flexibility and discretion, and external focus and difference. This culture is particularly suitable for organizations in the technology industry and workplaces that encourage creativity.

An adhocracy culture is preferable for businesses with fundamental values to generate new ideas and take risks. In this culture, employees are encouraged to experiment with fresh and inventive ideas. The text ends with an unnecessary mention of ADP Payroll, HR, and Benefits, which is not related to the topic and should be removed.

The adhocracy culture is beneficial for developing new products or enhancing existing ones. Adhocracy culture encourages the innovation and flexibility necessary to remain competitive in the fast-paced global market [11].

2. Clan culture

According to the Competing Values Framework, clan cultures can be classified into two categories: freedom and discretion, and internal concentration and integration. Clan culture prioritises teamwork and friendship within the organisation, making it an excellent fit for

organisations that view their staff as an extended family. This culture facilitates close relationships in the workplace and prioritises team development and collaborative efforts.

Clan culture is well-suited for a culture focused on loyalty and trust, and it can provide significant benefits to both companies and their employees. Studies have shown that employee engagement improves when employees feel like they are important members of the team.

As hiring rates increase, productivity also increases, resulting in higher profitability. When employees are content, they are more likely to provide excellent customer service, which can significantly enhance a company's brand and reputation [11].

3. Culture of hierarchy

Hierarchical cultures prioritise stability, control, internal focus, and integration of competing values. This type of corporate culture is considered the most traditional.

Decision-making is primarily the responsibility of the company's leaders and executives. Control and efficiency are the fundamental values of a hierarchical culture.

While adhocracy culture embraces new ideas and encourages risk-taking, hierarchical cultures are much less tolerant. The hierarchical culture is appropriate for companies that prioritize safety, such as government agencies and healthcare organizations.

However, many companies focused on customer service also use a hierarchical culture, including fast food establishments.

The hierarchical culture offers a significant advantage in terms of the probable stability of both profitability and employee participation levels. However, it may also lead to a failure to adapt quickly to market changes and customer demands [11].

4. Market culture

Market cultures can be categorised into multiple types, including stability, control, and discretion, as well as outward emphasis and distinctiveness in conflicting ideals. The top priority for the market culture type is bottom-line profitability.

One disadvantage of market culture is that it places a low value on employee involvement and satisfaction. Employees may feel that this type of culture does not value their individual development due to the emphasis on performance and effectiveness.

However, the focus on performance and productivity is a significant advantage of market culture. Highly skilled individuals feel valued when they are adequately and generously compensated for their hard work in this type of culture.

Companies that aim to maximize revenue often adopt this culture. Organizations in market cultures tend to prioritize individualistic competitiveness over teamwork and collaboration, which is more emphasized in other cultures [11].

Creating a corporate culture involves considering various tangible and intangible components that work together to shape the work environment. By focusing on these facets, organisations can foster a positive, supportive, high-performing corporate culture that drives long-term success and employee satisfaction.

It includes excellent management, an efficient workforce, and a healthy work environment.

A positive and productive corporate culture is essential for financial success. A positive and productive corporate culture is essential for financial success. Developing such a culture has numerous benefits.

A positive and productive corporate culture is essential for financial success. Employees strive to increase sales, maximise profits, reduce costs, and streamline operations to achieve financial success.

Employee satisfaction is crucial, as it fosters a sense of safety and value within the organisation's culture.

Additionally, satisfied employees develop a commitment to their work and the organisation, leading to better retention rates. Employee satisfaction is crucial, as it

fosters a sense of safety and value within the organisation's culture. Additionally, satisfied employees develop a commitment to their work and the organisation, leading to better retention rates. Additionally, satisfied employees develop a commitment to their work and the organisation, leading to better retention rates. Furthermore, individuals seek long-term associations with companies, which ultimately reduces employee turnover rates.

Employee engagement with their duties and the organization is a result of an efficient corporate culture. In terms of recruitment:

Additionally, the staff appears highly committed and motivated to achieve the company's goals. Job seekers today want to work for companies with an impressive culture that values employees as valuable assets. A positive work culture helps companies acquire resourceful talent and eases the recruiting process.

Corporate culture enhances employee performance and develops a progressive work environment, increasing overall productivity [5].

The concept of personnel management is a system of theoretical and methodological views on understanding and defining the essence, content, goals, objectives, criteria, principles and methods of personnel management, as well as organisational and practical approaches to the formation of a mechanism for its implementation in specific operating conditions of organisations.

Based on modern concepts of personnel management, the following types of management are distinguished: result-oriented management, motivational management, framework management, delegative management, participative management, entrepreneurial management.

The main functions of human resources management include: organising the use of human resources, improving the quality of labour relations, providing human resources, managing labour efficiency, developing human resources, managing reward systems, organising a system of relations, ensuring employee loyalty, managing trust, managing image, shaping organisational culture, talent management.

The main trends in HR management are Technology integration, adoption of remote working, diversity, equality and inclusion, skills development for business,

data analytics for business, integration of the gig economy for business, flexible working conditions, companies will focus on improving the overall employee experience, flexible performance management.

Personnel development is a system of interrelated actions that include the development of a strategy, the processes of forecasting and planning the request and needs for personnel, the management of professional growth and career, as well as the organization of the process of training, education, the formation of organizational culture, adaptation.

All the resources spent on personnel development, with proper control, will soon and fully justify themselves. The growing interest in personnel development on the part of companies is determined by their need to have personnel whose level of training meets the requirements of the time.

The personnel development strategy involves the training of employees of the organization, advanced training of personnel, retraining of personnel. Personnel training is a purposefully organized, planned and systematic process of mastering knowledge, skills, abilities and ways of communication under the guidance of experienced teachers, mentors, specialists and managers. Further training of personnel is the training of employees in order to improve knowledge, skills and ways of communication in connection with the growth of requirements for the profession or promotion. Retraining of personnel - training of personnel in order to master new knowledge, skills and methods of communication in connection with mastering a new profession or changing requirements for the content and results of work.

Corporate culture represents the rules within the company that shape the microclimate of the team and its interaction within the organisation as a whole.

The main elements of corporate culture are: vision and statement of purpose, values, behaviours, practices, people and narrative.

Corporate culture is a critical factor in the success of an organisation and can have a significant impact on employee satisfaction, engagement and performance. The following are some of the most commonly cited aspects that are essential to

creating and understanding corporate culture.

The functions of corporate culture include protecting, integrating, regulating, adapting, orienting, motivating and shaping the image of the organisation.

CHAPTER 2

ANALYSIS OF THE EFFECTIVENESS OF THE PERSONNEL MANAGEMENT PROCESS

2.1. Technical and economic characteristics of enterprise

Xiaomi Corporation was founded in April 2010 and listed on the main platform of the Hong Kong Stock Exchange on July 9, 2018 (1810.HK). Xiaomi is a consumer electronics and smart device company based on smartphones and smart equipment connected by an Internet of Things platform.

The founder of the Xiaomi brand is Lei Jun. This talented engineer and equally professional businessman went through a difficult path of success even before he launched the company with which his name is now most closely associated:

- 8 years (from 1992 to 2000) - rose through the ranks from an ordinary engineer to general director at Kingston;
- launched a popular Chinese social network analogue of YouTube – yy.com;
- created a successful online store Vancl.

Thanks to great ideas and their professional implementation, even before the Xiaomi brand was launched, its founder was already among the dollar billionaires.

The concept of the name Xiaomi was conceived by Lei Jun when he recalled the phrase "Buddha considers a grain of rice as important as Mount Meru." Subsequently, an individual proposed that the company be designated as Mi, which is the Chinese translation of the word "rice." Immediately, investor Liu Qin proposed the addition of the word "small" to the name, which, when combined with the original, formed the term "Xiaomi."

In the initial three-month period, the nascent company concentrated on developing its vision of the optimal operating system, while simultaneously seeking external funding. Without this crucial support, the company's progress would have

been severely constrained. On 16 August 2010, the inaugural Xiaomi product was unveiled to the public, namely the proprietary MIUI shell. As the company lacked its own devices, the inaugural smartphone to run this operating system was the Google Nexus One.

The limited time available for development did not permit the translation of the operating system into English, let alone the resolution of other issues. Nevertheless, users were so enamoured with the Chinese MIUI that, after a couple of months, members of a well-known forum undertook the translation of the shell into various languages. Xiaomi also did not remain idle and capitalised on the availability of MIUI for any device. The company was engaged in the expansion of the range of models on which the shell could be installed and the collection of feedback from a global audience with a view to improving and refining the system. The close interaction with users enabled the release of the second version of the proprietary software within a year.

In light of the considerable success of its product, Xiaomi convened a small gathering of fans and journalists on 16 August 2011. The company's presentation of its first smartphone, the Xiaomi Phone (or Xiaomi Mi 1), was a surprise to many users. This model had a competitive price point, impressive specifications for the time, and distinguished itself from its competitors with a capacious 1900 mAh battery (the others had 1400–1500). The company achieved a sales volume of 270,000 units.

The inaugural Xiaomi smartphone model was a commercial success, although it did not attain the status of a cult product. This did not deter Xiaomi, but rather served as a catalyst for further innovation. A year later, the Xiaomi Mi 2 was launched, which swiftly attained legendary status. The smartphone adhered to the same principles as the previous model, namely, offering top specifications at an affordable price. The figures demonstrate this: the initial 50,000 units of the smartphone were sold in a mere three minutes. A total of 7.19 million devices were sold in 2012.

In mid-2013, the Xiaomi Mi 2S and Xiaomi Mi 2A models were launched, thereby consolidating the manufacturer's success. Sales began to increase, with over

18 million units sold in 2013.

The next stage in the company's development was the production of a 47-inch television with a smart television system, which was announced on 5 September 2013. During this period, the company's next flagship, the Xiaomi Mi 3, was unveiled, with sales exceeding 18 million units within a few months.

In 2014, Xiaomi commenced the expansion of its product range to include routers, TV set-top boxes, air purifiers, portable batteries and other smart equipment. Additionally, the company opted to manufacture not only its flagship devices, but also the budget Redmi line and subsequently the Redmi Note. In the same year, the company initiated a strategy to expand its reach internationally, actively distributing and promoting its products. This enabled Xiaomi to achieve third place in the global market for smartphone sales for the first time in its history. During the year in question, the number of devices sold exceeded 66 million.

The company's production of a multitude of devices and its success in both the domestic and international markets enabled it to achieve a significant global impact with the release of another iconic gadget. At the conference on 22 July 2014, the Mi Band smart fitness bracelet was presented. It is notable for its ultra-low cost and impressive functionality. In the first two years following its release, approximately 20 million trackers were sold.

In 2015, Xiaomi released its first action camera, which was a significant competitor to the market leader GoPro. In the same year, Xiaomi commenced the supply of tablets to the Ukrainian market. However, the most significant event of 2015 was the establishment of the company's own crowdfunding platform, YouPin. The platform facilitated the exposure of a vast array of products from diverse categories.

In February 2016, the next flagship smartphone from Xiaomi, the Mi 5, was released. The smartphone's innovative design was immediately apparent and attracted considerable attention. In the initial three days following its release, the device was sold in excess of 16 million units, a figure that has remained consistent to this day.

At a presentation on 27 July 2016, the Chinese company unveiled the inaugural

laptop under its brand, the Xiaomi Mi Notebook Air. Furthermore, the inaugural mono-brand Xiaomi store was inaugurated in Ukraine in October 2016.

The company is developing a new line of premium smartphones, the Mi Mix, which will be launched in multiple directions. In late 2016, Xiaomi released the inaugural frameless smartphone in its product line. The device boasts a large screen, small frames, premium materials and no control keys.

On 5 September 2017, the inaugural smartphone, the Xiaomi Mi A1, was unveiled as part of Google's Android One initiative.

On 11 September 2017, the company unveiled a new frameless smartphone, the Xiaomi Mi Mix 2, with a 5.99-inch display. This was similar to its predecessor, but received a number of significant improvements.

In 2018, the company released the Mi Mix 2S and the first gaming smartphone, Black Shark. The Black Shark was the first device to achieve the highest AnTuTu performance rating. In August 2018, the market saw the release of a device that offered powerful specifications at an affordable price point, which proved to be a significant development for those seeking such a combination. The Pocophone F1 attracted considerable attention due to its combination of affordable pricing and impressive hardware specifications. However, this is not an exhaustive list of the most notable new products released in 2018. In the same year, the Mi Mix 3 was launched, which proved to be a significant departure from previous models. Xiaomi has reinvigorated the slider phone. The device boasts a large display, flagship characteristics, and an absence of any cutouts for the camera and sensors. Furthermore, the maximum amount of RAM reached 10 GB.

At the outset of 2019, Xiaomi is scheduled to present the Mi Note 10, which features five principal cameras. The company is engaged in the ongoing development of its entire range of smartphones, with the 8 series rapidly gaining in popularity among users. On 11 June 2019, an updated version of the Mi Band 4 bracelet was announced. In the initial eight days following the commencement of sales, the shipment volume of the Mi Band 4 exceeded one million units.

The Mi Mix Alpha, which was launched on 24 September 2019, has been

hailed as the most impressive new product of the year. The ultra-conceptual smartphone features a curved display that occupies the majority of the device's perimeter. At that time, the Alpha was distinguished by its possession of the most advanced characteristics.

In 2020, users were gratified by the introduction of a number of new products, including the POCO X3, the Mi 10 series of smartphones, and the Mi Band 5.

A brief history of Xiaomi is shown in Table 2.1.

Table 2.1

Brief history of Xiaomi

Year	Events
1	2
2010	Founded by Lei Jun and other enthusiasts in Beijing, China. The name "Xiaomi" means "little rice" and reflects the company's humble beginnings.
2011	The first Xiaomi smartphone, Mi 1, was released, which quickly gained popularity thanks to its powerful hardware and affordable price.
2012	The budget smartphone Redmi 1 was launched, further expanding Xiaomi's user base.
2013	Xiaomi has overtaken Samsung to become the largest smartphone maker in China. International markets have opened, starting with India.
2014	The first Xiaomi Mi Band fitness tracker was released, becoming one of the best-selling wearable devices in the world. Expansion to other product categories such as TVs, tablets and routers
2015	Investments in startups and the smart home ecosystem. Partnership with Google to launch Xiaomi Android One smartphones
2016	The first flagship smartphone Xiaomi Mi 6 has been released with advanced specifications. Xiaomi's first retail store opened outside of China, in India
2017	Global expansion continues with entry into the markets of Europe and the Middle East. The first gaming smartphone Xiaomi Black Shark was released
2018	Xiaomi is one of the world's top five smartphone manufacturers. Launch of the Redmi sub-brand for budget devices
2019	The first foldable smartphone Xiaomi Mi MIX Alpha has been released. Creation of a POCO subsidiary for smartphones with a focus on performance
2020	Xiaomi becomes the second largest smartphone manufacturer in the world after Samsung. Release of the flagship smartphone Xiaomi Mi 10 Ultra with a 108 MP camera.
2021	The first Xiaomi smartphone with an under-screen camera, Xiaomi Mi Mix 4, has been released. The company is changing its logo and corporate identity
2022	Xiaomi introduces the flagship Xiaomi 12 series, showcasing the latest advances in mobile technology. Product ecosystem continues to expand, including electric vehicles and home appliances

Source: compiled by the author

Today, Xiaomi is a global technology company offering a wide range of products and services, from smartphones and wearables to smart home and artificial intelligence.

The brand is very diverse, produces hundreds of products, and also invests in a number of sub-brands, among which the following stand out:

Mijia – products for smart home, automation inside the apartment, cameras, scooters;

Yunmai is a technology that specializes in tracking health indicators;

Viomi – smart devices and equipment from the “Internet of Things” category;

Yeelight is a manufacturer of smart and regular light bulbs. Buyers choose this brand due to the possibility of flexible color settings, depending on the owner’s preferences;

Roborock is a manufacturer of smart robots that specialize in cleaning and cleaning the home;

Aqara is another manufacturer of devices for the smart home system. Its technology helps improve comfort by reducing energy consumption;

Pocophone is a sub-brand for the production of smartphones that are distinguished by good quality and capabilities at affordable price tags;

Black Shark is a sub-brand for the production of gaming smartphones;

Redmi is one of the first sub-brands for mid-range smartphones at an even more affordable price;

Zimi is a manufacturer of batteries, adapters, charging cables.

Xiaomi's mission is: "We will use our human resources and technology to create superior products and services and thus a better global society." This corporate mission emerged in the 1990s as the company experienced rapid global expansion into various semiconductor, electronics and related technology markets. Xiaomi focuses on the following elements of its corporate mission in connection with its activities and current international positioning in the industry:

- people and technological resources;
- superiority of products and services;

- improve global society.

Xiaomi's vision is to "inspire the world with our innovative technologies, products and designs that enrich people's lives and contribute to social well-being, creating a new future."

The company follows this vision to support profitable technology processes that improve people's lives. Xiaomi regularly refers to a shortened version of this corporate vision: "Inspiring the world, shaping the future." The company fully implements this statement in its activities in the field of electronics, computers and semiconductors. Xiaomi's vision statement contains the following:

- world inspiration;
- innovation;
- improving lives and future social well-being.

The characteristics that make Xiaomi unique include:

1. Innovative products

Xiaomi is renowned for its innovative products, which encompass a diverse range of devices, including smartphones and home appliances. The company's smartphones are renowned for their superior specifications and competitive pricing. Furthermore, Xiaomi smart home devices, such as air purifiers and rice cookers, have also gained popularity due to their innovative features and affordable prices.

2. Client-oriented approach

Xiaomi's business model is characterised by a customer-centric approach, which is evident in the company's overall strategy. The company employs an online-only sales model, which enables it to maintain low costs and pass savings on to customers. Furthermore, Xiaomi frequently solicits customer feedback, which is then used to inform improvements to its products and services.

3. MIUI operating system

Another distinguishing feature of Xiaomi is its custom Android-based operating system, MIUI. MIUI is renowned for its user-friendly interface and regular updates. The operating system is available in several languages and is used by millions of individuals across the globe.

4. International expansion

Another distinguishing feature of Xiaomi is its international expansion. The company initially concentrated its efforts on the Chinese market, but subsequently expanded its operations to other countries. Xiaomi smartphones are currently available for purchase in over 90 countries. The company has gained significant popularity in India, where its affordable smartphones are popular with budget-conscious consumers.

5. Focus on quality

Despite its emphasis on affordability, Xiaomi places significant emphasis on quality. The company utilises premium materials and components in its products, and employs rigorous quality control measures. Furthermore, Xiaomi products are accompanied by warranties and customer support, which serve to reinforce the company's dedication to quality.

6. Diverse product line

Another distinguishing feature of Xiaomi is its diversified product line. In addition to smartphones and smart home devices, Xiaomi also manufactures laptops, televisions and other consumer electronics. Furthermore, the company has expanded into the electric vehicle market, with the objective of becoming the world's largest electric vehicle manufacturer within a decade.

The company is dedicated to maintaining and promoting rigorous standards of corporate governance. The Company's corporate governance principles are to promote effective internal controls and enhance the transparency and accountability of the Board of Directors to all shareholders.

The company has experienced considerable growth in recent years, becoming a model of successful business strategy. One of the reasons for the company's success is the organisational structure of its management (Figure 2.1).

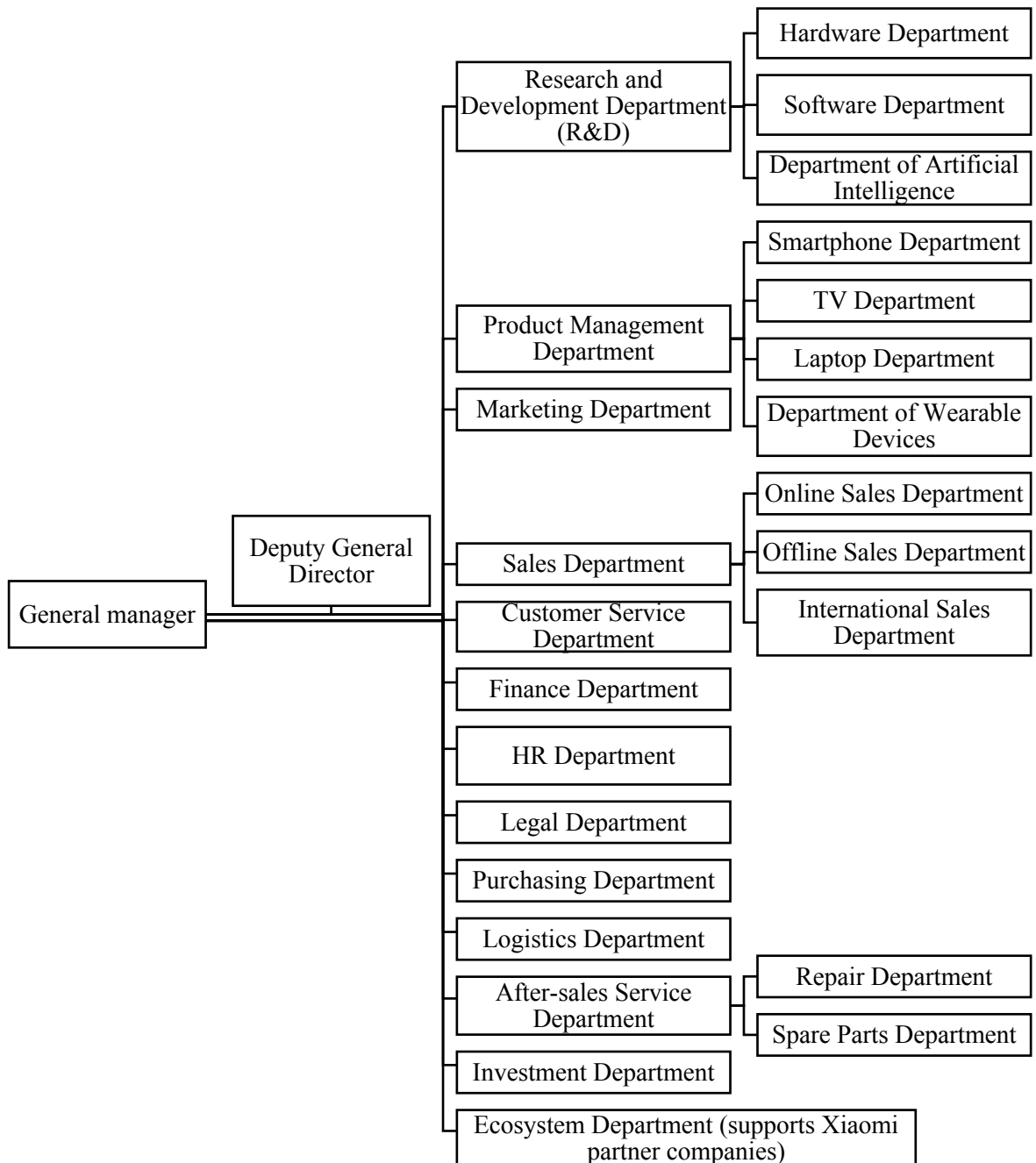


Fig. 2.1. Xiaomi organizational structure

Source: [37]

Xiaomi adheres to rigorous corporate governance standards, prioritising the implementation of effective internal controls and enhanced transparency and accountability of the Board of Directors to shareholders.

Xiaomi has a functional organisational structure, with departments grouped according to their functions. This enables the company to concentrate on its principal operations and enhance its operational efficiency.

Let's consider the main functional responsibilities of the company's departments:

1 Research and Development Department (R&D):

- development and design of new products and technologies;
- improving existing products and services;
- exploration of new markets and opportunities.

2 Product Management Department:

- defining and managing the company's product portfolio;
- planning and development of new products;
- product life cycle management.

3 Marketing Department:

- development and implementation of marketing strategies;
- brand and reputation management of the company;
- promotion of company products and services.

4 Sales Department:

- sales management of company products and services;
- developing and maintaining relationships with clients;
- expansion of sales channels.

5 Customer Service Department:

- providing support and service to customers;
- processing requests and complaints;
- ensuring customer satisfaction.

6 Financial department:

- management of the company's financial resources;
- preparation of financial statements;
- ensuring compliance with financial rules and regulations.

7 Human Resources Department:

- hiring, training and development of employees;
- providing a favorable working environment.

8 Legal department:

- providing legal advice to the company;
- ensuring compliance with laws and regulations;
- protecting the interests of the company.

9 Purchasing department:

- management of procurement of goods and services for the company;
- search and selection of suppliers;
- negotiations and conclusion of contracts.

10 Logistics department:

- management of the company's logistics operations;
- delivery of products and services to customers;
- inventory and supply chain management.

11 After-sales service department:

- providing technical support and repair of company products;
- processing warranty claims;
- ensuring customer satisfaction.

12 Investment department:

- management of the company's investment portfolio;
- search and evaluation of investment opportunities;
- investing in promising enterprises.

13 Ecosystem department:

- support and development of Xiaomi partner companies;
- integration of Xiaomi products and services into the ecosystem;
- expansion of the Xiaomi ecosystem.

Each department is headed by a vice president, who is directly accountable to the general director. This organisational structure enables Xiaomi to respond promptly to market fluctuations and customer demands.

Xiaomi's management principles are founded upon data-driven decision-making. The company places a strong emphasis on data analytics, utilising product

performance information, customer feedback and market trends to identify opportunities and address challenges. The management team at Xiaomi employs a vast array of data in order to develop well-informed strategies with regard to product development, marketing initiatives and other business endeavours.

The fostering of an entrepreneurial culture within Xiaomi serves to create an environment conducive to creativity and innovation. The company's unified organisational structure facilitates direct communication between employees and senior management, thereby ensuring a seamless exchange of ideas. This flexible organisational structure allows employees to propose innovative solutions and take calculated risks, while allowing management to assess the feasibility of such proposals in a timely manner.

Xiaomi's management philosophy espouses the value of collaboration through the formation of cross-functional teams. The integration of employees from disparate departments enables these teams to collaborate seamlessly in pursuit of shared objectives. The encouragement of cross-disciplinary collaboration by Xiaomi facilitates increased communication and collaboration throughout the organisation, thereby promoting more efficient decision-making processes and higher levels of productivity.

Furthermore, Xiaomi maintains a customer-oriented management structure. The company places significant emphasis on the collection and incorporation of customer feedback in order to facilitate the continuous improvement of its products and services. Xiaomi's dedicated team is responsible for collecting and analysing customer feedback, which allows management to gain valuable information for ongoing improvement initiatives.

Xiaomi works based on several basic principles:

- rapid and continuous expansion of the product range;
- sales support, including conducting motivational programs for partners and clients, as well as advertising activities;
- professional and personalized approach to business negotiations;
- development, provision and implementation of planned performance

indicators;

- flexibility of contract terms, including the possibility of deferred payment;
- use of modern, informative product packaging in accordance with effective marketing strategies;
- offering the buyer proven and necessary products;
- providing warranty support.

In addition, the company:

- strives to create an atmosphere of mutual trust and support;
- attracts professional staff to cooperate;
- Encourages teamwork to identify resources and pursue promising opportunities.

Key performance indicators of Xiaomi for 2021-2023. are given in table 2.2.

Table 2.2

Main financial indicators of Xiaomi for 2021-2023, million yuan

Index	2021	2022	2023	Deviation, +/-		Growth rate, %	
				2022 / 2021	2023 / 2022	2022 / 2021	2023 / 2022
Revenue	328309.1	280044.0	270970.1	-48265.1	-9073.9	85.3	96.8
Gross profit	58260.9	47577.2	57476.2	-10683.7	9899	81.7	120.8
Operating profit	26028.6	2816.5	20008.7	-23212.1	17192.2	10.8	710.4
Profit (loss) before tax	24417.0	3934.0	22011.0	-20483	18077	16.1	559.5
Profit (loss) for the year	19283.2	2502.6	17474.2	-16780.6	14971.6	13.0	698.2
Adjusted net income	22039.5	8518.0	19272.8	-13521.5	10754.8	38.6	226.3

Source: [38]

The company's revenue decreased by 3.2% to RMB271.0 billion for the year ended 31 December 2023, in comparison to RMB280.0 billion for the year ended 31 December 2022.

Revenue from the company's smartphones segment decreased by 5.8% from

RMB167.2 billion for the year ended December 31, 2022 to RMB157.5 billion for the year ended December 31, 2023. This was primarily due to decreases in both the company's smartphone shipments and ASP. The company's smartphone shipments decreased by 3.3% from 150.5 million for the year ended December 31, 2022 to 145.6 million for the year ended December 31, 2023. According to Canalys, global smartphone shipments decreased by 4.3% year-on-year in 2023. The average selling price (ASP) of smartphones decreased by 2.7% from RMB1,111.3 per unit for the year ended December 31, 2022 to RMB1,081.7 per unit for the year ended December 31, 2023. This was primarily due to the enhanced efforts to clear inventories in the overseas markets in the first half of 2023, and the strong growth of the company's shipments in emerging markets, which carry lower ASP in the second half of 2023. This was partially offset by an increase in ASP in mainland China, with the contribution from premium smartphone shipments. In 2023, the ASP of the company's smartphones in mainland China increased by over 19% year-on-year, reaching a record high.

Revenue from the Internet of Things (IoT) and lifestyle products segment increased by 0.4% from RMB79.8 billion for the year ended 31 December 2022 to RMB80.1 billion for the year ended 31 December 2023. This was primarily attributable to an increase in revenue from smart large home appliances and tablets, which was partially offset by a decrease in revenue from smart TVs and laptops. Revenue from the company's smart large home appliances increased by nearly 40% year-on-year, primarily attributable to the increased shipments of air conditioners, refrigerators and washing machines in mainland China.

Revenue from the internet services segment increased by 6.3% from RMB28.3 billion for the year ended 31 December 2022 to RMB30.1 billion for the year ended 31 December 2023. This was primarily due to an increase in revenue from the advertising business and gaming business, which was partially offset by a decrease in revenue from other value-added services. The overseas internet services revenue increased by 24.1% from RMB6.8 billion for the year ended December 31, 2022 to RMB8.4 billion for the year ended December 31, 2023, accounting for 28.0% of the

total internet services revenue. This growth was driven by the continued expansion of the overseas internet user base. The company's global monthly active users (MAU) increased by 10.2% from 582.1 million in December 2022 to 641.2 million in December 2023.

As a consequence of the aforementioned circumstances, the company's gross profit increased by 20.8% from RMB47.6 billion for the year ended 31 December 2022 to RMB57.5 billion for the year ended 31 December 2023. The gross margin increased from 17.0% for the year ended 31 December 2022 to 21.2% for the year ended 31 December 2023.

The gross profit margin of the company's smartphones segment increased from 9.0% for the year ended December 31, 2022 to 14.6% for the year ended December 31, 2023. This was primarily due to an improved product mix, a reduction in the cost of key components, and a decrease in inventory impairment provisions in overseas markets. The gross profit margin from the Internet of Things (IoT) and lifestyle products segment increased from 14.4% for the year ended 31 December 2022 to 16.3% for the year ended 31 December 2023. This was primarily due to a higher revenue contribution and an increased gross profit margin of certain products with a higher gross profit margin, such as tablets, certain lifestyle products and smart large home appliances. The gross profit margin from the internet services segment increased from 71.8% for the year ended 31 December 2022 to 74.2% for the year ended 31 December 2023. This was primarily due to an increase in revenue contribution and an enhanced gross profit margin for our advertising business.

As a result of the foregoing, profit for the year increased by 598.3% from RMB2.5 billion for the year ended December 31, 2022 to RMB17.5 billion for the year ended December 31, 2023.

Xiaomi's development strategy is predicated on its unwavering commitment to innovation. Xiaomi fosters a culture of continuous improvement and disruptive thinking, with the objective of providing cutting-edge technology at affordable prices. Xiaomi has been able to develop feature-rich devices, software and services that meet the evolving needs of consumers by investing heavily in research and development

(R&D).

Xiaomi's strategic decision to prioritise online sales has been a significant factor in the company's success. By eschewing traditional retail channels, Xiaomi has streamlined the distribution process, reduced costs and established a direct line of communication with customers. This online-centric approach has enabled Xiaomi to maintain competitive pricing, establish direct feedback from users and rapidly expand its operations.

Xiaomi has expanded its product range beyond smartphones to include various categories of devices, including smart home appliances, wearables and home appliances. This ecosystem strategy exploits the interrelationships between different products, thereby creating a seamless user experience. The integration of Xiaomi's devices and services has resulted in an increase in customer loyalty, user engagement and cross-selling opportunities.

Xiaomi's global expansion strategy has been a pivotal factor in the company's transition from a domestic player to a global brand. The company identified emerging markets with high growth potential, such as India, Southeast Asia and Europe, and developed products and marketing strategies that were tailored to meet the unique needs of these regions. Xiaomi's localisation efforts, which include partnerships with local distributors, investments in local R&D centres and the creation of customised product offerings, have contributed to the rapid market penetration and widespread brand recognition that the company has achieved.

Xiaomi's dedication to offering sophisticated products at competitive prices has been a significant factor in its expansion into new markets. By leveraging economies of scale, optimising supply chain management and minimising overhead costs, Xiaomi has been able to offer products at an attractive price-quality ratio. This strategy proved to be an attractive proposition for consumers seeking value for money, enabling Xiaomi to challenge established competitors in various markets.

Xiaomi has employed a range of aggressive marketing strategies to enhance brand awareness and establish itself as a global player. The company employed social media platforms, online campaigns, and strategic partnerships to generate interest and

engage with its target audience. Xiaomi's emphasis on community building and consumer-centric initiatives, such as product launches and feedback forums, has contributed to the development of a sense of belonging and loyalty among its users.

Thus, Xiaomi Corporation is a Chinese corporation established by Lei Jun in 2010. In addition to revenue generated from the sale of smartphones and tablets, Xiaomi Corporation derives income from joint development initiatives with external partners, the sale of Internet of Things (IoT) products and the provision of internet services. Furthermore, the company generates revenue from the maintenance of its products. Xiaomi is structured into four operational divisions: smartphones, Internet of Things (IoT) products, Internet services, and so forth. Additionally, the company is engaged in research and development of computer software and information technology, e-commerce and market research, and investment consulting.

Xiaomi's business strategy is predicated on the company's cost advantage. Furthermore, the company employs effective strategies to collect and utilise its extensive customer base, which has a positive impact on customer loyalty and business results. Furthermore, the expansion of the product and service ecosystem represents a fundamental aspect of Xiaomi's business strategy.

In 2023, Xiaomi's revenue was 270,970.1 million yuan, representing a 3.2% decrease from the previous year. Despite a decline in sales, the company's profit figures increased, indicating an increase in business activity.

2.2. Evaluation of human resource performance of enterprise

Xiaomi's approach to human resources management is based on the principles of mutual respect, trust and strengthening long-term partnerships.

This philosophy is reflected in various corporate documents, including guidelines on personnel selection and adaptation, training and development, goal-setting dialogues, remuneration policies and the Employee Code of Conduct.

Oversight of the implementation of Xiaomi's human resources policies is the responsibility of the Board of Directors. Critical decisions relating to senior

management are made by the Human Resources and Remuneration Committee of the Board of Directors. At the operational level, the Human Resources Director handles overseas personnel matters, while local management within functional departments and individual enterprises handles day-to-day personnel management.

Annually, the HR Directorate presents a comprehensive report on the implementation of HR strategies and sets out medium-term guidelines to the Company's Management Board for approval by the CEO.

In 2023, the priorities of the company's HR department included:

1. Facilitating the innovative transformation of the company by implementing HR management tools and procedures that foster a culture of flexibility, inspiration and co-operation.

2 Increasing customer focus and optimising sales and marketing efficiency through continuous development of employees' professional competencies.

3. Promoting a culture of inclusive leadership by:

– supporting goal-setting systems and incentivising employee engagement, especially within industry and product agile teams;

– implementing a robust performance appraisal and feedback system with a focus on employees in key positions and those identified as having high potential (HiPo, HiPro);

– improving management efficiency through organisational restructuring, especially in departments involved in innovation projects, by creating flexible structures and innovation centres for technological development.

4. Improving HR management efficiency through initiatives such as process simplification, automation, digitalisation and standardisation, along with the integration of predictive analytics for informed decision-making.

As of 31 December 2023, Xiaomi had 35,116 employees worldwide. The evolution of Xiaomi's average number of employees for 2020-2023 is shown in Figure 2.2.

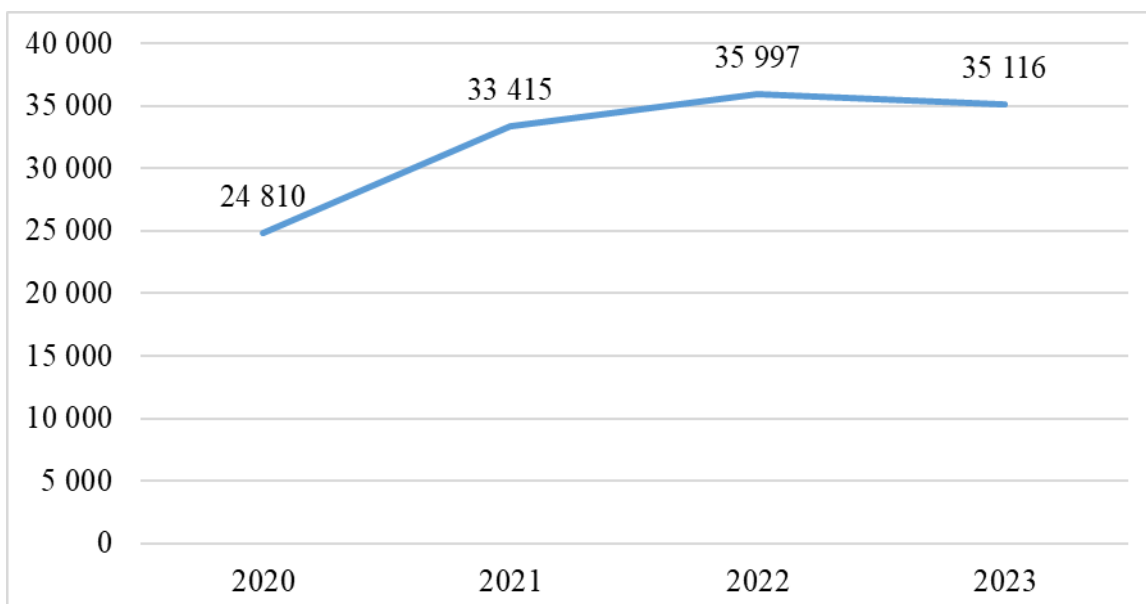


Fig. 2.2. Number of Xiaomi employees for 2020-2023, people.

Source: compiled by the author

As can be seen from Figure 2.2, the number of employees in 2023 decreased by 881 people or 2.4%.

The personnel structure characterising the ratio of different categories of Xiaomi employees by type of employment is presented in Figure 2.3.

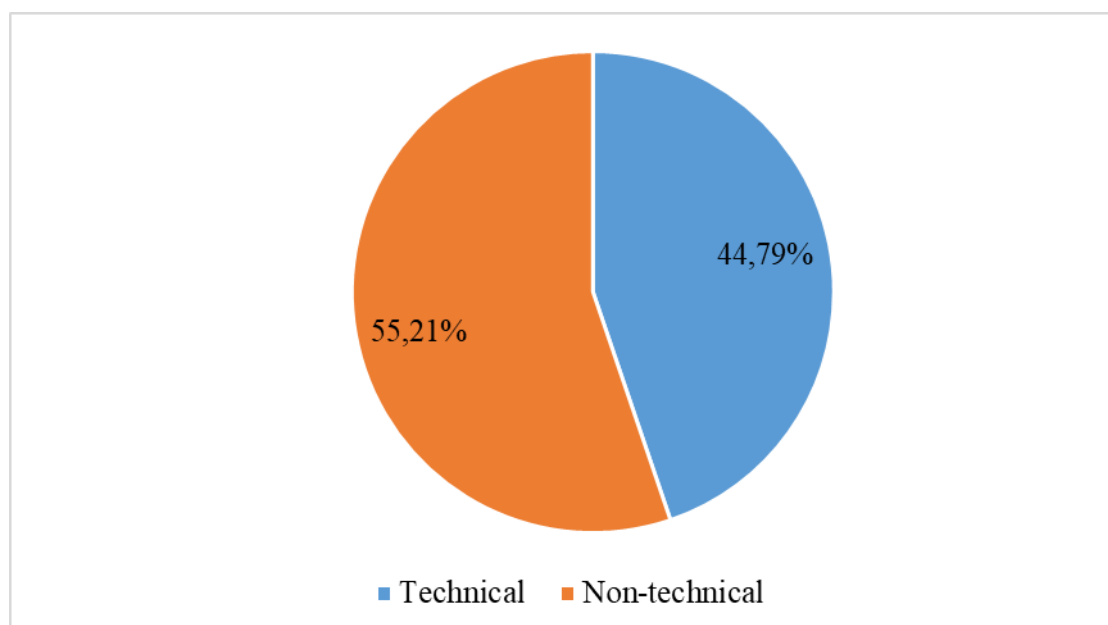


Fig. 2.3. Xiaomi's staff structure by employment type for 2023, %

Source: compiled by the author

Xiaomi's staff is divided into two main categories: technical staff directly

involved in product development and non-technical staff. According to Figure 2.3, 55.21% of Xiaomi's employees belong to the non-technical category.

The gender structure of Xiaomi's staff is shown in Figure 2.4.

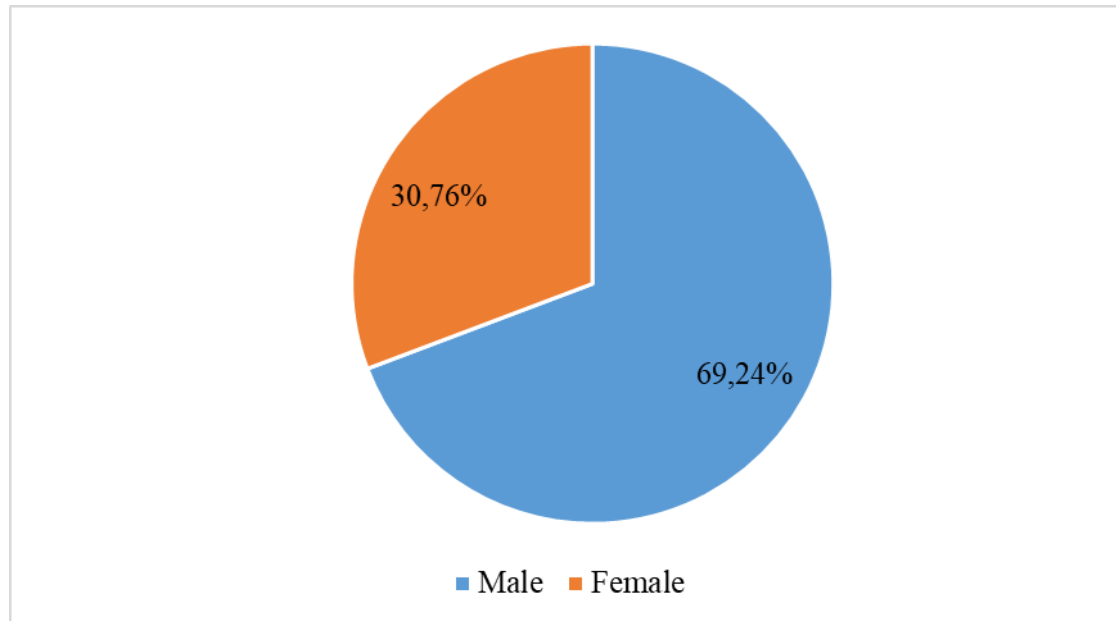


Fig. 2.4. Xiaomi's staff structure by gender for 2023, %

Source: compiled by the author

Despite the company's policy to combat gender discrimination in its personal practices, men constitute the majority of the staff structure at the end of 2023, accounting for 69.24%. This trend reflects a broader societal trend where men are more inclined towards technical specialities, while women tend to gravitate towards the humanities.

The staff structure by age is presented in Figure 2.5.

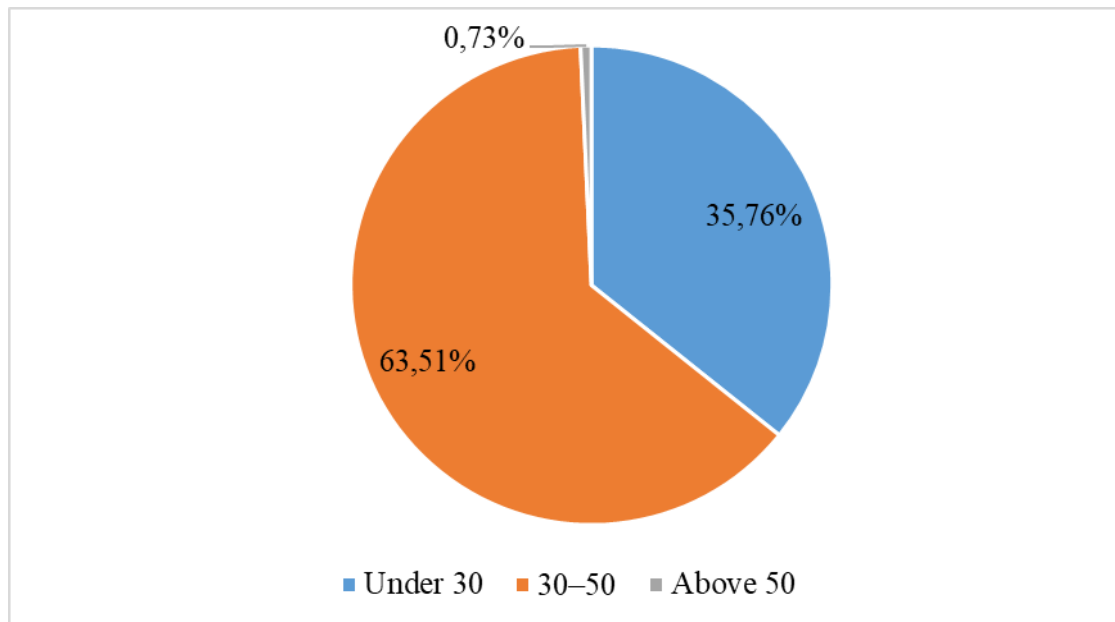


Fig 2.5. Xiaomi staff structure by age for 2023, %

Source: compiled by the author

According to the data presented in Figure 2.5, 35.76% of Xiaomi's workforce is under 30 years old. This demographic trend can be attributed to the company's practice of often hiring promising college graduates.

Xiaomi adheres to the values of fairness, impartiality and transparency, strictly adhering to labour laws in the jurisdictions where it operates, including the People's Republic of China. The company has established internal policies governing various aspects of employment, such as recruitment, compensation, performance evaluation, equal opportunity, anti-discrimination and diversity. Xiaomi prohibits discrimination based on factors such as race, age, gender, marital status and religion.

Xiaomi also prioritises the recruitment of local talent in the various markets it serves. As of the end of 2023, Xiaomi had employees in 20 countries and regions spanning four continents, with 94.18% of employees in mainland China (Figure 2.6).

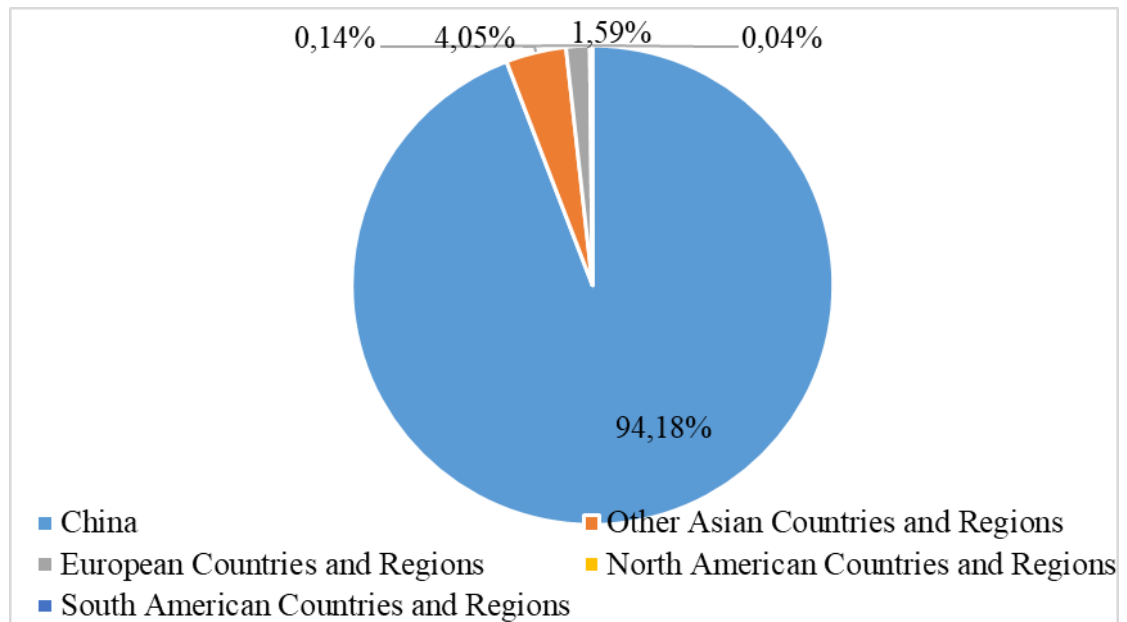


Fig. 2.6. Xiaomi's staff structure by region for 2023, %

Source: compiled by the author

In Europe, Xiaomi boasts offices in several countries including Spain, Italy, France, Germany, the UK, Poland, Finland, Spain, Finland and the Netherlands. This region is the largest for Xiaomi after China and India, judging by the number of employees.

Xiaomi's HR professionals scrupulously adhere to the Staff Selection and Adaptation Rules, ensuring compliance with legal standards and relevant domestic and international regulations. All managers receive comprehensive training on personnel selection and evaluation to maintain the quality and fairness of personnel decisions.

Job listings are available to all employees through the corporate portal. Preference is given to candidates with higher qualifications and a strong desire for a job that is in line with the company's core values. Notably, over 90% of vacancies at Xiaomi are filled by the company's HR department, minimising reliance on external recruitment agencies.

The company's remuneration principles, salary structure and monitoring procedures are set out in the company's local regulations in accordance with the company's staff remuneration policy. As a rule, at least 80% of the monthly salary of

employees consists of a fixed component, which includes a base salary for the performance of duties along with compensatory payments. Each position is assigned a grade or class category with corresponding base salaries.

Approximately 20 per cent of the salary is made up of a variable component, which includes regular bonuses designed to incentivise employees to achieve monthly or quarterly targets. In addition, annual bonuses are given to all categories of employees based on the achievement of annual goals. The specifics of the annual bonus, including types of goals and categories of employees, as well as the amount of remuneration, are defined in the company's local regulations.

Figure 2.7 shows the trend of average monthly salary in Xiaomi for 2021-2023.

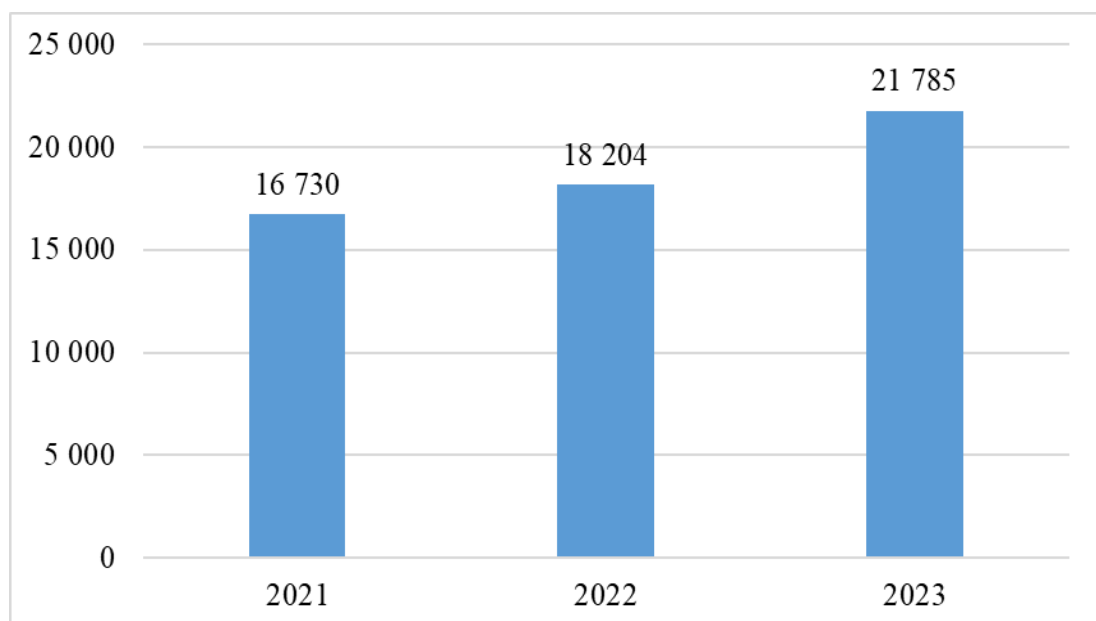


Fig. 2.7. Dynamics of average monthly salary in Xiaomi for 2021-2023, RMB

Source: compiled by the author

As shown in Figure 2.7, the average monthly salary at Xiaomi increases by 8.8% for 2022 and 19.7% for 2023. For 2023, the average monthly salary of Xiaomi employees is 21,785 RMB.

Moreover, Xiaomi provides its employees with various fringe benefits to complement the social security and safety benefits stipulated by national and regional regulations. These fringe benefits include:

- fringe benefits such as additional business insurance and annual medical examinations;
- special benefits for occasions such as birthdays, marriages, maternity, work anniversaries and general employee welfare;
- global business travel insurance for expatriates, covering unforeseen expenses such as loss of property, medical expenses, accidents, travel delays and emergency assistance to ensure the physical well-being and safety of employees;
- Employee Assistance Programme (EAP) offering free professional counselling to employees and their families through both online and offline platforms.

The company conducts periodic performance appraisals for all employees: workers, management and engineering staff at Xiaomi. For this purpose, three main personnel appraisal tools are used (Table 2.3).

Table 2.3.

Annual employee evaluation at Xiaomi

Method name	Characteristics
360 Degrees	<ul style="list-style-type: none"> - receiving feedback from colleagues and partners: two strengths and two areas for development - 646 managers and professionals were evaluated - 3,517 people provided feedback as assessors
Dialogue on goals	<ul style="list-style-type: none"> - assessment of the fulfilment of the previous year's objectives and production targets - assessment of compliance of behaviour with the company's values - formulation of goals and an individual development plan for the future period - Participants: 381 managers and specialists and 4,293 workers
Personnel committees	<ul style="list-style-type: none"> - evaluation of the outcomes of feedback on values and competences - performance evaluation - development planning - enrolment in the personnel reserve - 250 personnel committees were held - Approximately 2,200 employees reviewed

Source: [40]

Xiaomi places significant emphasis on the professional development of its employees, providing ample opportunities for advancement within the organisation.

Promotion decisions are made on the basis of merit, rewarding people who

make significant contributions through incentive programmes and progression paths. Recognising the importance of nurturing young talent for long-term sustainability, Xiaomi has created a talent pool, focusing on improving their overall competence and offering transparent promotion paths.

Xiaomi pays significant attention to the professional development of its employees, providing ample opportunities for promotion within the organisation. Promotion decisions are based on merit, rewarding people who make significant contributions through incentive programmes and promotion paths. Recognising the importance of nurturing young talent for long-term sustainability, Xiaomi has built a talent pool, focusing on improving their overall competence and offering transparent progression paths.

Employee development is at the heart of Xiaomi's sustainable success, driving the company's commitment to the all-round growth of its global workforce. To this end, Xiaomi Group's Learning Development Department was established to organise the comprehensive development of Xiaomi's talent pool and strengthen institutional capabilities. The company endeavours to provide inclusive, systematic and impactful training in various fields including general education, corporate culture, advanced technology, management skills and more. This endeavour equips employees with the necessary knowledge, experience and leadership acumen to skilfully handle daily tasks and effectively contribute to Xiaomi's strategic goals.

In response to the growing development needs of employees, Xiaomi has refined its talent development system to be versatile and inclusive. On the one hand, open courses are now available to all employees, while a full suite of training programmes covering various skill sets, leadership skills and professional competencies are designed for employees of different levels and roles. This multi-faceted approach aims to enhance professionalism and enrich the employee experience. In addition, Xiaomi focuses on improving the quality of training through course research and development, instructor development and the use of digital platforms to optimise training effectiveness. In 2022 alone, Xiaomi certified 308 group-level instructors and introduced more than 100 new courses, reinforcing its

commitment to employee growth and development.

Xiaomi prioritises a continuous learning and development approach to its employee training system. Recognising its employees as the company's most valuable asset, Xiaomi invests heavily in their ongoing training and development initiatives.

Xiaomi's employee training cost trends for 2021-2023 are shown in Figure 2.8.

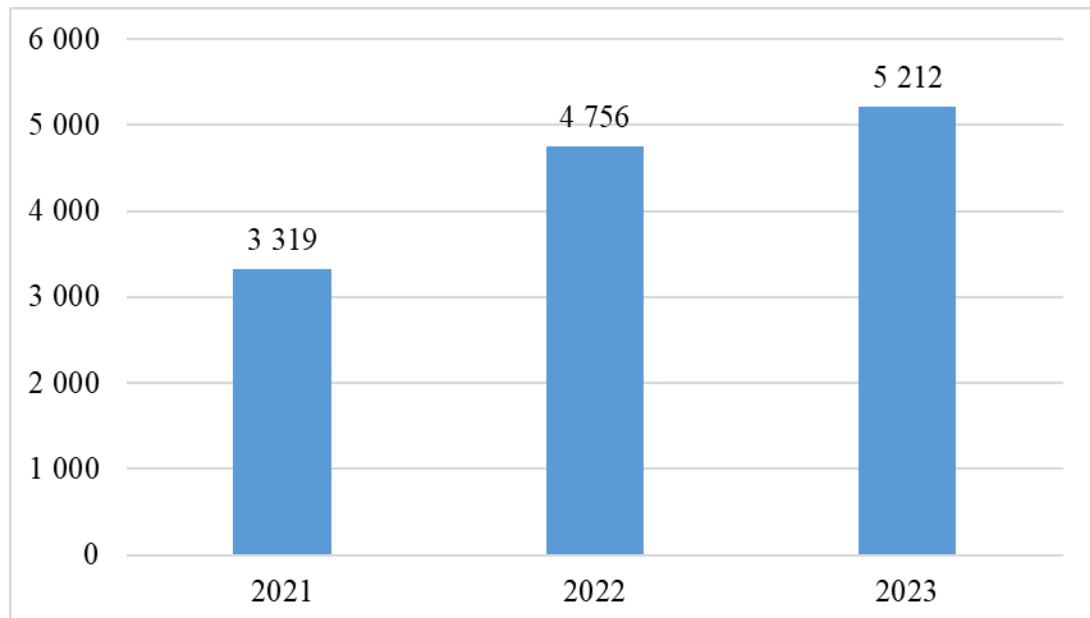


Fig. 2.8. Personnel training costs in Xiaomi, thousand RMB

Source: compiled by the author

Staff training costs in 2023 totalled RMB 5,212 thousand, an increase of 9.6% compared to 2022.

Xiaomi adheres to a standardised approach to social and living conditions to ensure an optimal working environment in administrative and production facilities. This strategy aims to improve comfort, safety and efficiency in the workplace while minimising unnecessary movement and wasted time.

Initiatives to improve the social and living conditions of employees cover various aspects, including the refurbishment of work areas and social facilities such as break areas, canteens, showers, toilets, drinking water points and classrooms. In addition, efforts are being made to improve lighting and ventilation at workplaces, modernise the road network and landscaping of surrounding areas.

Let us conduct a SWOT analysis of Xiaomi's existing HR management

practices (Table 2.4).

Table 2.4

SWOT analysis of Xiaomi's existing HR management system

Strengths	Weaknesses
The staff of the HR department are highly qualified and have experience.	Low employee interest in enterprise development; high outflow of qualified personnel
The level of education of the staff is quite high. High specialization of personnel	Modern digital technologies are not used in personnel management
Availability of young progressive specialists; introduction of a mentoring system; exchange of experience	Non-material motivation is poorly developed
Opportunities	Threats
Availability of a variety of educational services, professional educational programs	Loss of skilled professionals
Development of digital technologies in human resource management	Changes in the state education program may lead to a shortage of specialized workers in this sector

Source: compiled by an author

According to the data presented in Table 2.4, we can see that the ‘Weaknesses’ field is quite capacious for Xiaomi.

Thus, Xiaomi's HR policy is based on the principles of mutual respect, trust and orientation towards long-term cooperation. In 2023, the priorities of the company's HR service include supporting the company's innovative transformation, developing customer focus, improving sales and marketing efficiency, further developing an engaging leadership culture, and increasing the efficiency of the HR function.

The main shortcomings of Xiaomi's human resource management system are low employee interest in the company's development and poor development of modern digital technologies.

2.3. Evaluation of corporate culture at enterprise

Let's analyze the corporate culture by applying the model of Daniel Denison. For this purpose, indexes for logistics and administrative personnel are calculated separately. Then the data were brought to the average (Table 2.5). Obviously,

different categories of employees have different views on the positions presented. As a rule, administrative and managerial personnel have higher indicators.

Table 2.5

Calculation of indices in the D. Denison model for Xiaomi

The name of the indicator	Employees who carry out activities with their physical labor	Administrative staff	Average value
<i>Ability to adapt to a changing situation</i>			
Indicator reflecting the attitude to reorganization	2,54	3,86	3,2
An indicator reflecting responsiveness to customers of products	3	4,12	3,5
An indicator that characterizes the perception of learning	2,6	4	3,2
<i>Mission</i>			
An indicator characterizing the development strategy	2,9	4,2	3,5
An indicator that characterizes the direction of action and the result	2,3	4,1	3,2
An indicator that characterizes the vision	2	4,2	3,2
<i>Coordination</i>			
An indicator that characterizes overall integration and coordination	1,8	4,2	3
An indicator identifying consistency	2,9	4	3,4
<i>Involvement in the organization</i>			
An indicator characterizing the possibility of granting authority	2,82	4,26	3,54
An indicator characterizing the development potential	1,84	3,9	2,87
An indicator that characterizes the possibilities of working in a team	2,12	4	3,06

Source: compiled by an author on the basis of [40]

Let's consider the results in more detail.

The results of the questionnaire on the indicator «Adaptability» are shown in Figure 2.9.

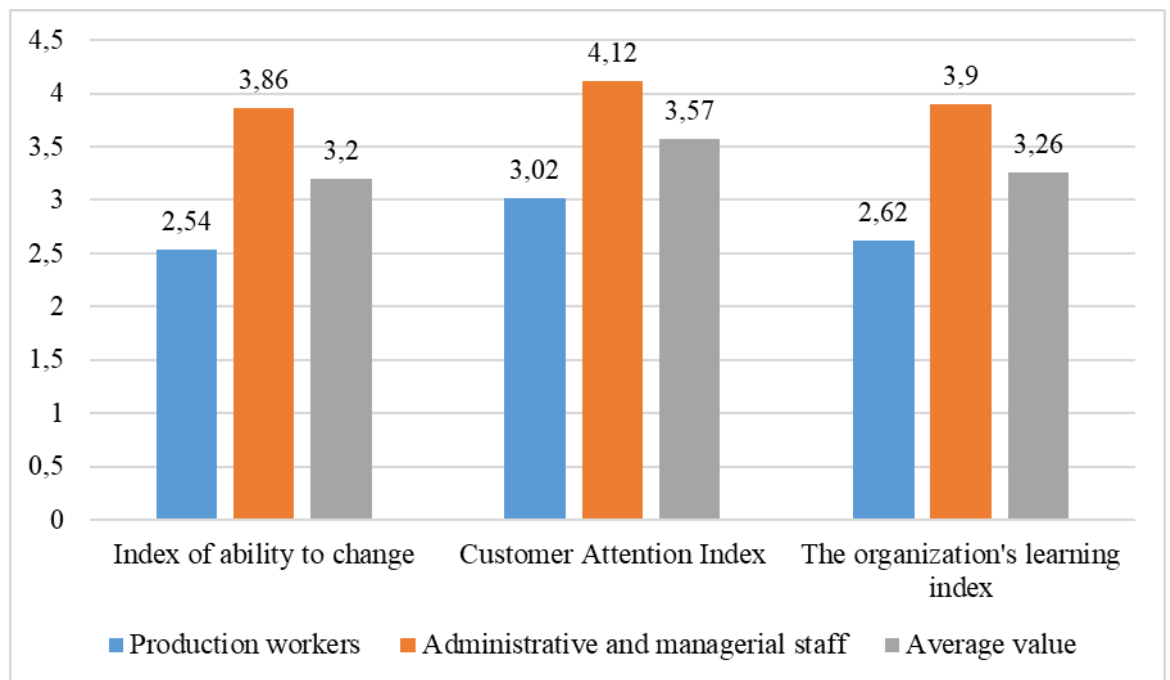


Fig. 2.9. Results of the questionnaire on the indicator "Adaptability"

Source: compiled by the author

As follows from Figure 2.9, the highest indicator is the index of attention to customers. The specifics of the organization's activities make the staff flexible enough and quickly navigate changes in consumer tastes. It should be noted that this is the highest indicator for the entire questionnaire. The willingness to change is not sufficient for this and meets the resistance of the staff. This situation is an occasion for the company's managers to reconsider the directive methods of implementing changes and devote more time to preparatory work and explaining to the staff the need to introduce certain new processes. At the same time, the learning index is at an average level.

The results of the survey on the indicator "Mission" are shown in Figure 2.10.

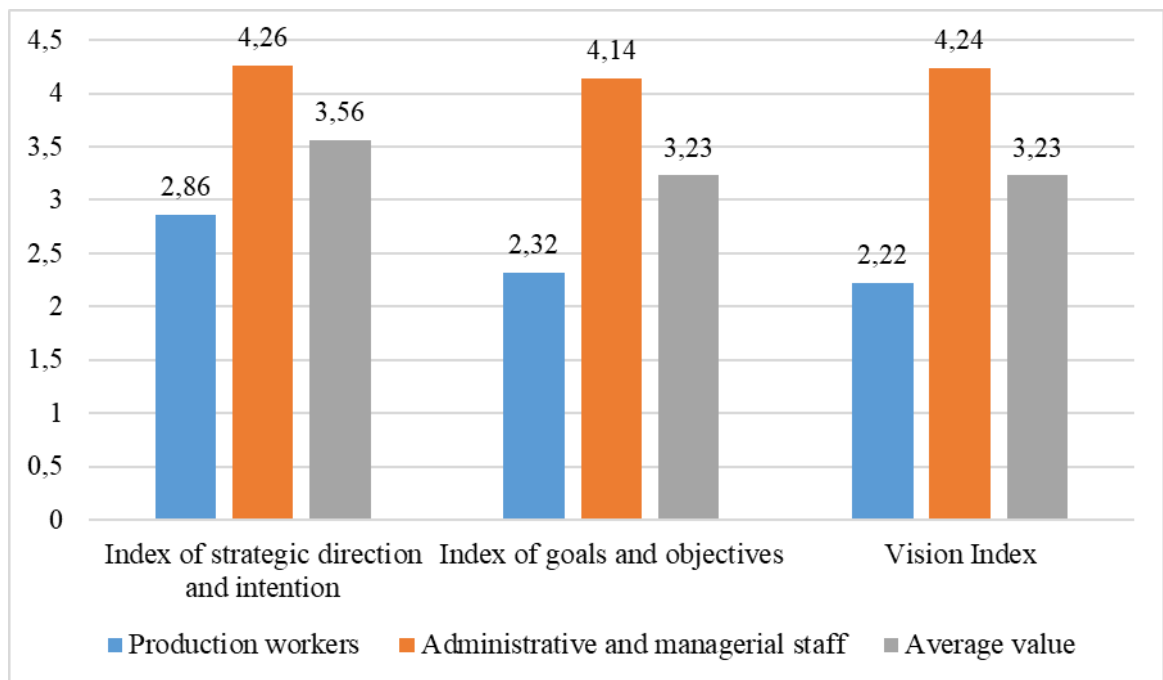


Fig. 2.10. Results of the survey on the indicator «Mission»

Source: compiled by the author

In this section, the highest response rates of administrative and managerial personnel when calculating the index of strategic direction and intention, which means consistency in the development of a common policy, but at the same time quite low among production personnel, which means that strategic goals are not communicated to ordinary employees, mostly managers know about them. Employees are engaged in performing current functions and do not see the big picture.

The results of the questionnaire on the indicator "Consistency" are shown in Figure 2.11.

Consistency is only present in a strong corporate culture. Such a culture is based on strict rules of behavior, revered traditions, significant symbols, value rituals that are mandatory for all its employees. As in any collectives, there are conflict situations and certain difficulties, but the data obtained indicate that the solution of problems in this organization occurs in most cases in a timely and safe manner.

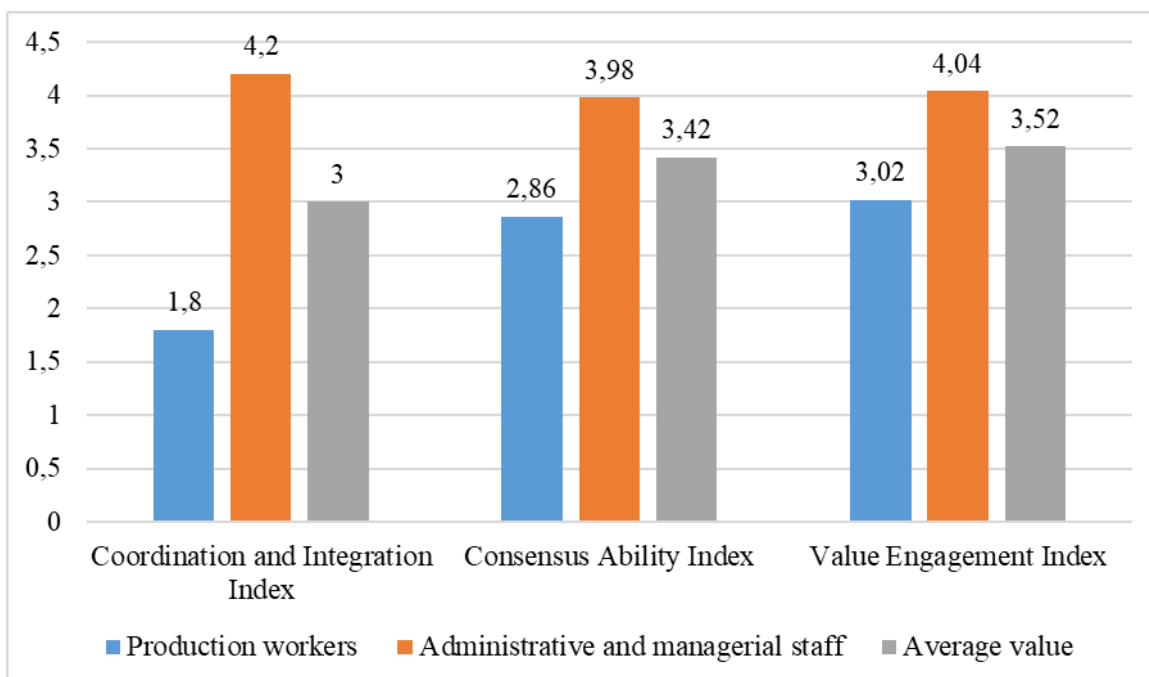


Fig. 2.11. Results of the questionnaire on the indicator «Consistency»

Source: compiled by the author

At the same time, other indicators of this group indicate that employees are most often familiar with the processes of only their own department, have difficulties in communication, but have an idea of which behaviors are welcome or not welcome in the organization.

The results of the survey on the indicator «Engagement» are shown in Fig. 2.12.

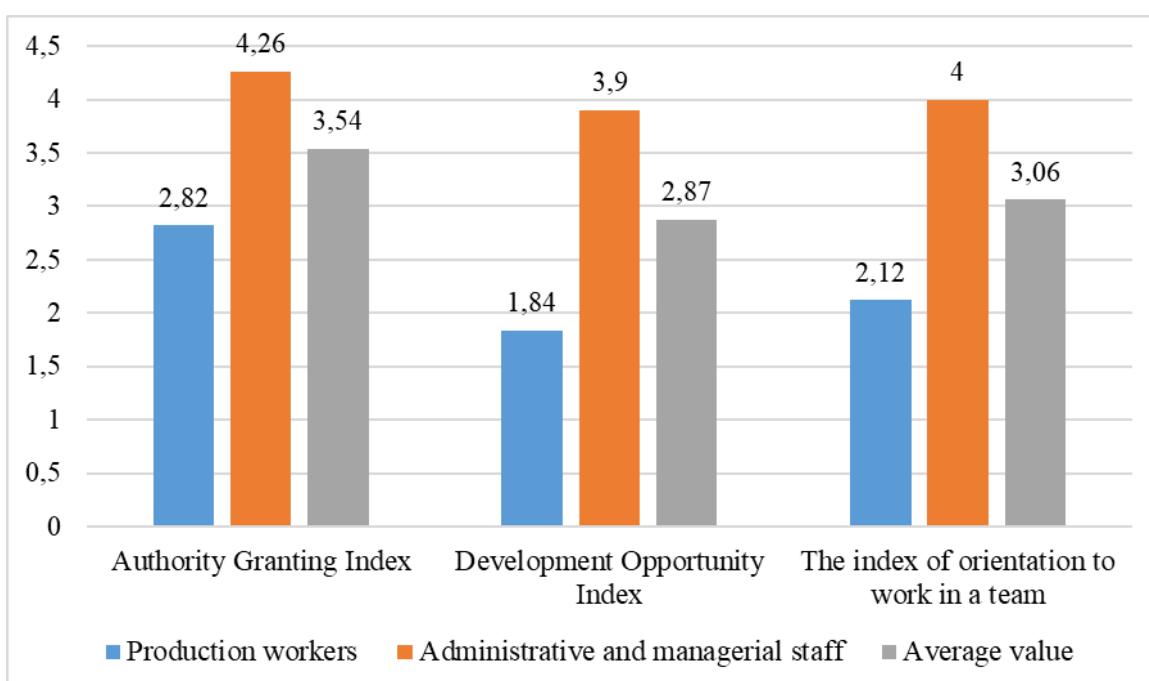


Figure 2.12 – Results of the survey on the indicator "Engagement"

Source: compiled by the author

In this group, the lowest indicator on the development opportunity index is observed. In general, the results obtained indicate that employees do not always receive complete and reliable information, do not have the opportunity to influence managerial decision-making, do not realize their contribution to achieving common goals, and they also do not participate in solving common organizational problems, preference is given to administrative resources rather than teamwork. In addition, employees are simple performers of their functions and do not see opportunities for development

Xiaomi Corporation is a Chinese corporation established by Lei Jun in 2010. In addition to revenue generated from the sale of smartphones and tablets, Xiaomi Corporation derives income from joint development initiatives with external partners, the sale of Internet of Things (IoT) products and the provision of internet services. Furthermore, the company generates revenue from the maintenance of its products. Xiaomi is structured into four operational divisions: smartphones, Internet of Things (IoT) products, Internet services, and so forth. Additionally, the company is engaged in research and development of computer software and information technology, e-commerce and market research, and investment consulting.

Xiaomi's business strategy is predicated on the company's cost advantage. Furthermore, the company employs effective strategies to collect and utilise its extensive customer base, which has a positive impact on customer loyalty and business results. Furthermore, the expansion of the product and service ecosystem represents a fundamental aspect of Xiaomi's business strategy.

In 2023, Xiaomi's revenue was 270,970.1 million yuan, representing a 3.2% decrease from the previous year. Despite a decline in sales, the company's profit figures increased, indicating an increase in business activity.

Xiaomi's HR policy is based on the principles of mutual respect, trust and orientation towards long-term cooperation. In 2023, the priorities of the company's HR service include supporting the company's innovative transformation, developing customer focus, improving sales and marketing efficiency, further developing an

engaging leadership culture, and increasing the efficiency of the HR function.

The main shortcomings of Xiaomi's human resource management system are low employee interest in the company's development and poor development of modern digital technologies.

As a result of the study Xiaomi it is revealed that the corporate culture is quite pronounced, close to bureaucratic, it does not contribute to the development of competitive advantages such as corporate reputation, innovation, product and service quality improvement. The values of bureaucracy and hierarchy cost the company unnecessary costs and adversely affect the quality of its functioning. The principles of teamwork are not formed in the organization. The responsibility and loyalty of the staff are not key values, which means they do not contribute to the efficiency of production and negatively affect profitability and profitability.

CHAPTER 3

PROPOSALS FOR IMPROVING THE EFFICIENCY OF PERSONNEL MANAGEMENT AT ENTERPRISE

3.1. Recommendations on improving human resource performance of the enterprise

In the context of the digital transformation of the Chinese economy, human resources play a key role in ensuring the efficiency of high-tech companies, which, in the process of their use, are transformed into human capital. In this situation, Chinese companies face the task of attracting highly qualified personnel and developing a strategy for developing the company's human resources. Such a task should be solved in the context of such a functional strategy as a personnel management strategy. In turn, this strategy is formed and implemented as a component of the overall competitive strategy of the company.

As part of the transformation of the management model at Xiaomi, it is proposed to focus on the use of digital human resource management tools (Figure 3.1).

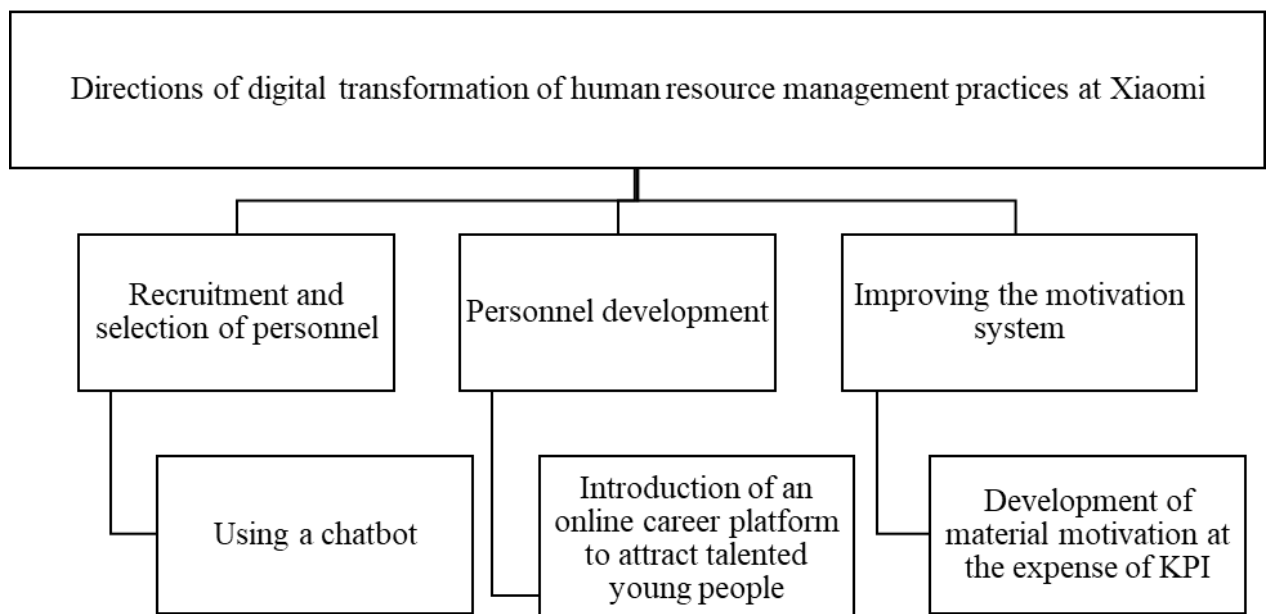


Fig. 3.1. Directions for the digital transformation of human resource management practices at Xiaomi

Consider the directions presented in Figure 3.1 in more detail.

1. Using a chatbot in recruiting

The classical implementation of the recruiting process contains a large number of routine operations and repetitive tasks that should be automated, that is, to convert the classic recruitment into digital form.

The algorithm of the chatbot is based on the implementation of certain stages that are repeated during the entire process of communication with the user (Figure 3.2).

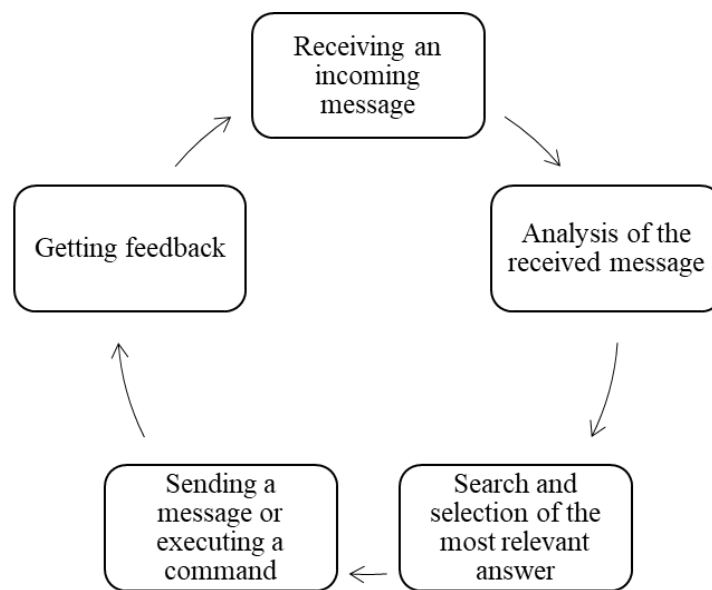


Fig. 3.2. Algorithm of the chatbot

The algorithm stops when the chatbot does not receive feedback in the form of a new message or command, but the communication process can be repeated at the initiative of the candidate. Chatbots don't start chatting first. It is launched by pressing the start button on the virtual keyboard. To implement the work and visualization of the bot as a mini-application with an intuitive interface, programmable buttons of the virtual keyboard are used.

Consider the principle of the primary selection of candidates based on their resumes by the HR portal.

When evaluating a resume, an HR specialist sets the passing scores for the portal system for each section of the matrix, depending on the position. Based on the

requirements of the vacancy, the specialist sets the level of significance of the assessment criteria section. Passing scores and the significance level are determined by specialists of the relevant departments and divisions of the company (experts). Separately, each identified competency of a vacancy is assigned points and the competencies are ranked in the order of their expression in a particular position.

At the next stage, the HR specialist connects the chatbot to the process. At the recruiter's command, the system sends an active link to the mobile device of a candidate who has passed the selection stage based on a resume. This link allows you to launch a chatbot on a specific social network platform, messenger or company website, which develops a list of questions and conducts a preliminary interview. At the same time, the list of questions is divided into informational and specialized blocks.

The information block includes questions to the candidate that do not require specialization: profession (specialty); the level of education; place of residence and readiness to move (business trips); the purpose of passing the test (internship, getting a position); type of employment (full, part-time, remote); desired salary level; basic skills, abilities and qualities of the candidate. The specialized block is represented by narrowly focused questions, compiled depending on:

- a list of job competencies formed according to the standard job description of this vacancy);
- skills in demand in the labor market;
- the level of preparation of the candidate, revealed in the analysis of his resume.

Based on the results of answers to the questions of the specialized block, information is generated on the proposed salary level, the need for an internship by a candidate with experience, and the skills and qualities identified in him.

At the end of the interview, the information collected by the bot enters the analytical block of the ACP system (HR portal) to analyze the candidate's answers, the results of which determine the level of his competence, compliance with the requirements of the vacancy, and also generate a preliminary report provided to the

HR specialist.

Interview Bot has the following advantages over a recruiter:

- continuous work process 24 hours a day, 365 days a year;
- the ability to work on various platforms, customizable to the candidate's requests;
- multi-channel responses (the ability to respond to requests from several candidates at the same time);
- minimal ongoing maintenance costs;
- continuous training and replenishment of the interview database;
- saving in digital form the received information in the ACP system.

2. Implementation of an online career platform to attract talented youth

The use of digital technologies in the system of attracting talented youth allows the organization to become more open and transparent. They help to destroy distance, temporal and many other barriers; they influence, thanks to feedback, the rapid updating and improvement of a particular product or service. They also allow you to see and evaluate the company's human capital, manage the development of each employee and effectively distribute competencies in certain areas of the company.

The career portal for working with students is a universal platform for communication between students and employers. This portal will allow universities to monitor the level of demand and employment of students in real time, as well as, if necessary, adjust the curriculum in a timely manner, concentrating on the competencies and skills necessary for employers.

Each user of any category receives its own functional elements and capabilities. Students can view full information about companies in which the profession of interest to them is in demand. Employers see information about all students of all courses and areas of study of a particular university for the selection of candidates for internships with subsequent hiring.

Since digital technologies in personnel career management open up great opportunities for organizations, we believe that if they want to be and remain modern, they need to not only use digital technologies to work with students at Xiaomi, but

also create an external talent pool in the form of an online career -platforms. This program is focused on attracting new employees who have work experience, who want to change their place of work, occupation, and who are ready to move to another region.

There are several advantages of this technology:

- expansion of the funnel of candidates;
- attraction of specialists from other cities and regions;
- reducing the cost of their search, recruitment and training;
- an increase in the speed of closing a particular vacancy.

In turn, the company receives a list of candidates, among which there will be not only university students, but also specialists with experience and work experience. An example of the phased work of an online career platform for Xiaomi is presented in Table 3.1.

Table 3.1

Phased work of the Xiaomi online career platform

Stage	Content
Registration on the online career platform	During the registration process, the basic data about the participant, his previous work experience, benefits, skills and knowledge are indicated
Interview with a chatbot (test, tasks to test knowledge and skills, etc.)	Initial interview with a chatbot. Based on the results of the interview, a decision is made for each specialist. Those who successfully passed the interview become participants of the platform
Distribution into groups by areas of activity	All participants of the platform are divided into groups according to the specifics of the activity and the position for which they would like to find a job in the company. Personal accounts are created for each participant
Continuation Training and raising the level of knowledge	In the personal account, participants receive training materials, tests, case studies, a list of references, etc. A user rating is compiled
Opening positions in the company	At the time of opening positions in the company, a list of the most suitable candidates is compiled, who go through the selection procedure

On this career platform, until the opening of positions in Xiaomi, candidates can use the following functionality:

- information about the company;
- training materials (lectures, websites in the field of activity);

- list of literature for self-development;
- transfer of experience and useful information from current employees of the company;
- exchange of knowledge between the participants of this platform (general chat);
- educational content - courses, tests, assignments;
- career planning - here the participant can get information about career growth, build a career plan, and also find out what competencies and criteria are needed for each level of activity;
- function "My knowledge";
- rating of each participant;
- the function "Question to an employee" - it allows participants to receive information from employees of the company, as well as get to know them, which will further accelerate the process of adaptation of a new employee.

The reporting system plays an important role both in the interest of platform participants in studying training materials and in the selection of specialists, allowing them to choose the most competent ones. Based on the results of the reports, a rating of each participant will be compiled, which is considered when opening new positions in Xiaomi.

For Xiaomi, the undoubted advantages of this technology are obtaining complete information about participants, a rating table, checking progress through statistics and reports, and the ability to plan an employee's career at the early stages of interaction.

3. Development of material motivation through KPI

KPI (Key Performance Indicator) is the key performance indicators of the personnel, expressed quantitatively and allowing to reflect the performance of each employee.

In order for employees to develop their digital skills, helping Xiaomi to develop and remain competitive, it is necessary to competently encourage employees of all categories to develop, and for this, build a motivation system that encourages

staff to acquire new skills.

Motivation (monetary incentives) of personnel based on KPI is focused on achieving long-term and short-term goals of the company, motivating the employee himself to perform his duties.

The system for forming the variable part of the monetary reward based on KPI stimulates the employee to achieve high individual results, as well as to increase his contribution to collective results and achievements, to the achievement of the company's strategic goals.

These indicators have the following distinguishing features:

- are non-financial in nature, otherwise they immediately turn into resulting indicators;
- have a significant impact on performance indicators;
- are under constant control of the top managers of the enterprise;
- require justification and specific actions for improvement;
- assume the responsibility of specific persons assigned to these indicators.

The advantages of material incentives based on KPI are the ability to track the performance of each department and employee in dynamics;

- the ability to predict the results of the company's work for the year;
- the ability to adjust the activities of departments and employees, if the results of their work do not reach the planned levels;
- ensuring the objectivity of assessing the work of employees, based on their results of their activities;
- creation of a feedback system that allows a specialist to quickly receive an assessment of their activities based on objective criteria, and not on the opinion of management.

In order to implement the assessment of digital competencies of Xiaomi employees in the existing KPI database, it is necessary:

- approve indicators for the use of digital competencies in the work of employees (top managers together must determine these indicators for a particular department, employee);

– to form a matrix of key and digital indicators of the KPI system (this process is also called planning, when standard values are set for each given period of time (month, quarter, year). Here it is important to correlate the indicators of the use of digital competencies with indicators of employee performance. Planned values of indicators should be rational and justified, for this it is possible to involve the heads of departments in order to adequately assess the actual performance of tasks);

– develop a system to motivate employees to increase their digital skills (at this stage, an incentive program is being drawn up, including material (bonuses, bonuses) and intangible (letters, free corporate courses, additional vacation or time off) rewards. And to make the motivation process interesting for employees, you can create in a game form that will increase the interest of employees in work and increase the healthy competitive spirit of the team. Large Western companies develop mobile applications specifically for this, where the achievements of each employee are recorded online);

– explain the new assessment system to employees (here it is important to bring information to the employee so that he understands how the innovations will work and how his work activity will be analyzed. It will also be necessary to visualize the achievements and make them available to the public);

– introduce a new matrix into the company's activities (develop and issue a document for department heads that would regulate digital indicators and scales for their assessment. At the same stage, you can form a focus group and test future developments in the KPI system on them);

– draw up a table of digital indicators for each employee (performed after all the indicators are approved and the planned values are calculated. The results of the analysis of the work of each employee will need to be regularly recorded in the report card);

– control (after the introduction of innovations, monitor the functioning of the new KPI system, monitor the achievement of planned indicators, services such as the Trello board, CRM systems and others will help with this, make adjustments if there are deviations from the planned indicators).

Xiaomi will bear the costs associated with the digital transformation of human resource management practices.

It is proposed to order the development of a chat bot and an online career platform from an outsourcing company.

Let's calculate the costs of implementing the digital transformation of the human resource management practice model at Xiaomi (Table 3.2).

Table 3.2

The cost of introducing digital technologies into the practice of human resource management at Xiaomi

Name of the item of expenditure	Amount, thousand yuan
Chatbot development	115
Development of an online career platform	2040
Development and implementation of a new system of material incentives	640
Training of HR managers and IT specialists	56
Total	2851

As can be seen from the data in Table 3.2, the cost of introducing digital technologies into Xiaomi's human resource management practice will be 2,851 thousand yuan.

According to the experience of similar enterprises, as a result of the introduction of digital technologies for human resource management, labor productivity increases by at least 0.2%.

Revenue growth is calculated according to the formula (3.1):

$$\Delta R = R_{\text{fact}} \times \% \text{ increase}, \quad (3.1)$$

While maintaining the number of employees, the increase in sales revenue will be

$$\Delta R = 270\,970.1 \times 0.2 / 100 = 541.9 \text{ million yuan}$$

The additional inflow of profit is calculated by the formula (3.2):

$$\text{Pr} = \Delta R \times \text{ROS}, \quad (3.2)$$

It is assumed that the profitability will remain at the level of 2023 (0.6%), then the additional profit as a result of improving the practice of human resource management in the company will be:

$$\text{Pr} = 541.9 \times 0.6 / 100 = 3.3 \text{ million yuan}$$

The efficiency of investment in improving the human resource management practice of Xiaomi is calculated by the formula (3.3):

$$\text{Ef} = (\text{Pr} - C) / C \times 100, \quad (3.3)$$

where Pr – profit from implemented activities, million yuan;

C – costs of events, million yuan.

Hence,

$$\text{Ef} = (3.3 - 2.851) / 2.851 \times 100 = 16 \%$$

According to the calculations, the profitability of the implementation of measures to improve the practice of human resource management at Xiaomi will be 16%, which indicates the feasibility of the proposed measures.

Thus, in the practice of personnel management, Xiaomi should use digital technologies more actively, namely, in the selection and selection of employees - a chat bot, in the organization of personnel work - a career online platform, in staff motivation - KPI.

The cost of transforming the HR model will be 2,851,000 yuan. With the same number of employees, the revenue increase will be 541.9 million yuan, the additional

profit will be 3.3 million yuan, the profitability will be 16 %.

3.2. Proposals for strengthening corporate culture of enterprise

Internal communications are of great importance in the development of the company's corporate culture, since with their help the company's staff becomes a single team in which each employee understands his role and feels his importance for achieving common corporate goals.

Internal communications in Xiaomi required for:

1 Receiving feedback from employees.

With the help of internal communication tools, you can quickly conduct surveys about changes – desired, upcoming and already happened. Many large companies conduct surveys, evaluate employee engagement and satisfaction.

2 Keep your finger on the pulse of business.

The value of internal communications is truly understood only when you get the opportunity to dynamically monitor the state of the company as a single large organism.

With the help of internal communication, it can understand:

- what's going on in the team;
- how people are configured;
- how do management decisions and events in the world affect the situation in teams;
- what worries employees.

3 Creating a common information space.

Information isolation creates voids that are filled with rumors and speculation. For example, a top manager has been replaced, but nothing has been explained to the team – people have stopped working and are discussing in a panic that "a new director will come and fire us all." Or the manager secretly told the employee that soon everyone will get a salary increase. This employee in the smoking room told his colleagues that the motivation system would be changed, but forgot to add that for the

better. As a result, people are looking for a new job in advance, because supposedly "bonuses are canceled."

An effective system of internal communications allows you to overcome the information chaos and fill the voids, create a single window where you can get reliable information and ask questions.

4 Reducing the cost of hiring.

Internal communications influence the development of the employer's brand. In companies with big names, candidates are trying to get in themselves: there can literally be a queue there. Little-known companies find it harder to hire, take longer, and ultimately more expensive. In order to compete for talents, it is necessary to create optimal conditions for employees, including in terms of communications and corporate culture.

5 Reducing staff turnover.

The quality of internal communications can be a key factor for an employee facing a choice – to stay or leave.

To form a system of internal communications in Xiaomi necessary:

Step 1: Study the problem

Usually, the initiator of the development of internal communications is the head of the company, less often – a group of employees who have encountered some difficulties. To begin with, it is worth clarifying with the initiator how the need arose, what it is and what result you want to get in the end. There is always either a problem, or a big goal, or all together.

Stage 2: Audit existing communications

Even if no one was engaged in internal communications, they still exist. We need to assess what condition they are in now. The easiest way is to interview employees. In order for the sample to be representative, it should include both managers and middle management, as well as specialists.

The questions depend on the task, but in any case, here's what you should ask:

How do you get information about what is happening in the company now?
From what source?

Do you have enough of this information? Maybe there's too much of it? Or, on the contrary, not enough?

Which messengers and social networks do you use more often?

Where would it be more convenient for you to receive information and in what format?

How often would you like to receive information from the company? Every day, once a week, monthly?

Would you also like to receive entertainment content that is not directly related to work?

What are the problems in communication between colleagues, subordinates and managers? What would be worth improving?

At the audit stage, the details of the previously voiced problem are clarified, sometimes new nuances emerge. For example, it may turn out that people are only ready for work communications: they would listen to about the payroll on holidays, and the news about a colleague's victory in a sports marathon does not fascinate them. If 90% of employees are not interested in this kind of information, then it is desirable to reduce informal communications. It's just not worth wasting your time – both your own and colleagues.

As a result, the audit should provide answers to the questions of how and where to broadcast information, what to report, how often, what formats are needed and sufficient in principle.

Stage 3: Draw up and implement an action plan

Then everything is as in a normal project: it is necessary to conduct an analysis, set a goal, prioritize tasks, draw up a work plan and implement it.

For example, the problem is that employees cannot quickly receive reliable news and answers to their questions. Then you need to create a single resource, and then tell about it and teach people how to use it. Employees should know where to go for verified information, how to get it and what to do if they still could not find the right one.

It is also important to determine the formats, tools, frequency and tone of

communications.

Information technologies play an important role in the development of internal communications, since with their help it is possible to ensure effective interaction between employees, improve communication processes and increase work productivity.

In this regard, in Xiaomi it is proposed to create an internal corporate portal.

The main purpose of the corporate portal Xiaomi – combining several fundamental functions in a single information space at once:

- organization of a convenient workspace for all employees in order to save employees' time and, as a result, increase their efficiency;

- formation and implementation of the company's internal information policy: internal PR, which allows to unite employees from different departments and divisions in a single space and create the necessary agenda according to the goals of the company's management or responsible persons, as well as the goals of team building.

The corporate portal is a system that includes various products that allow solving the company's tasks.

Part of the corporate portal Xiaomi there should be a certain set of modules for solving tasks related to information processing. Approximate content of the corporate portal for Xiaomi shown in Figure 3.1.

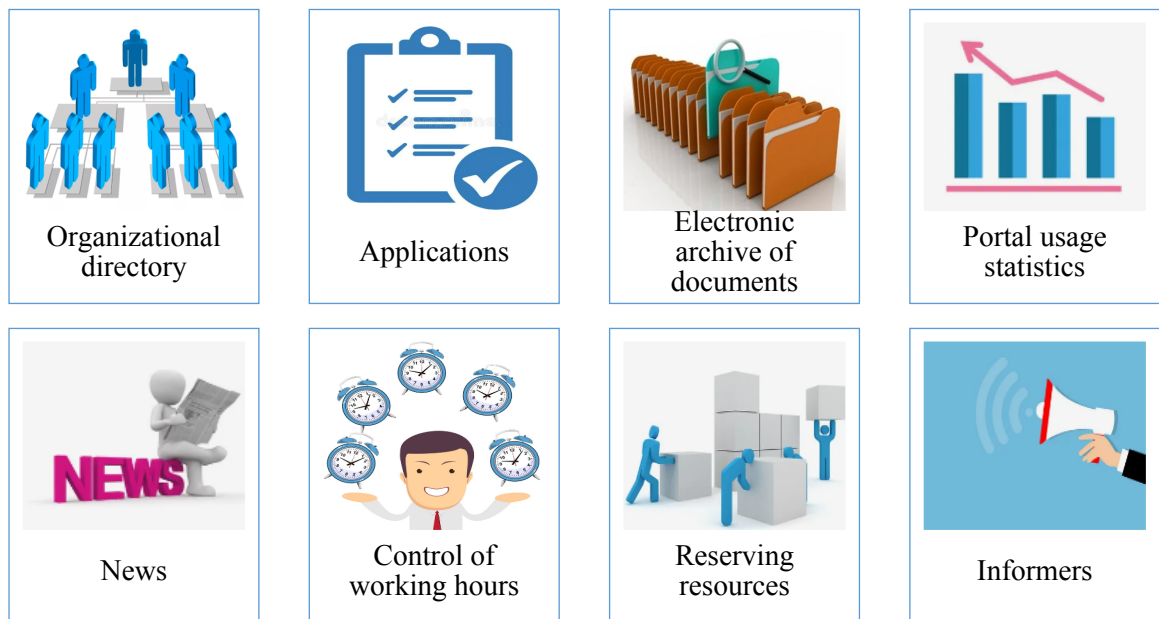


Fig. 3.3. Approximate content of the corporate portal for Xiaomi

Let's delve into the comprehensive contents of Xiaomi's corporate portal:

Organizational Directory: Visualizes the organizational structure and facilitates easy retrieval of information (names, phone numbers, room locations, etc.).

Applications Module: Streamlines the process of creating, coordinating, approving, and executing various applications. This includes requests for passes, office equipment, and access to the company's technical resources.

Electronic Document Archive: Centralized storage for documents with user access. Allows collaborative work on documents and sharing among authorized users.

Portal Usage Statistics: Generates detailed statistical reports on portal access to monitor user engagement and optimize content and structure.

News Publication: Management tools for disseminating news and announcements across the portal. Incorporates personalized presentation options and automatic import features from diverse sources.

Work Hours Tracking: Monitors and records employees' work hours based on their arrival and departure times. Displays lateness and early departures, complying with individual work schedules.

Resource Reservation: Facilitates the organization of shared resource

utilization. Employees can check resource availability, book it for specific durations, and modify or cancel their reservations.

Informers: Automatically updated graphical elements providing daily financial, political, sports, and other informational updates. Examples include stock index charts, news tickers for politics, economy, technology, exchange rates, and weather forecasts.

From other elements to the corporate portal for Xiaomi you can add a forum, a site search, an authorization system and an administration section.

The corporate portal will help Xiaomi:

- create a single image of the company;
- to increase the manageability of the company by introducing standards of collaboration, optimizing information storage, increasing control over the performance of tasks;

- simplify communication by creating a single address book with contacts, positions and other useful information about a person;

- to organize joint work within working groups with opportunities for discussions, setting and monitoring assignments, storing files and searching for information;

- inform employees: news, orders, informational letters;

- create a unified knowledge base and increase it;

- conduct training, testing and other employee surveys;

- convey the history, goals and values of the company;

- provide access to unofficial information: stories and events from the personal life of employees: congratulations, contests, achievements, photo gallery;

- speed up the process of adapting a new employee.

In addition, the corporate portal will allow the company's employees Xiaomi:

- always have at hand the structure of the organization, with a detailed division by divisions and working groups, indicating the managers and their contact information;

- keep up to date with the latest company news, colleagues' birthdays and

other events;

- know colleagues in person and get maximum general information about employees using only the contact card.

As practice shows, the corporate portal is able to effectively solve issues of the work plan, such as setting and monitoring tasks, analytics, creating a system for storing important information, automating business processes and customer relationship management systems.

Quite successfully implemented on portals and fast communication between different divisions of the company. There is no need, for example, to notify each department about an innovation or an important event – it is enough to post information on the portal, and it will immediately become public. The staff also has constant access to the company's knowledge base.

As for effective communication between employees, in theory, the portal, of course, gives them the opportunity to instantly communicate through an integrated social network, discuss both work and personal issues on forums and in groups.

We will calculate the economic effect of the implementation of measures to improve corporate culture.

The cost of creating a corporate portal will amount to 650,000 yuan.

The implementation of the proposed measures to improve the corporate culture of the company will increase labor efficiency, which will lead to an increase in productivity by an average of 0.1 %.

Revenue growth is calculated according to the formula (3.1). While maintaining the number of employees, the increase in sales revenue will be

$$\Delta R = 270\,970.1 \times 0.1 / 100 = 271 \text{ million yuan}$$

The additional inflow of profit is calculated by the formula (3.2). It is assumed that the profitability will remain at the level of 2023 (0.6%), then the additional profit as a result of improving the practice of human resource management in the company will be:

$$Pr = 271 \times 0.6 / 100 = 1.6 \text{ million yuan}$$

The efficiency of investment in improving the human resource management practice of Xiaomi is calculated by the formula (3.3):

$$Ef = (1.6 - 0.65) / 0.65 \times 100 = 146 \%$$

According to the calculations carried out, it is clear that the profitability of measures to improve the corporate culture of Xiaomi it will amount to 146 %, therefore their implementation is economically feasible.

In the practice of personnel management, Xiaomi should use digital technologies more actively, namely, in the selection and selection of employees - a chat bot, in the organization of personnel work - a career online platform, in staff motivation - KPI.

The cost of transforming the HR model will be 2,851,000 yuan. With the same number of employees, the revenue increase will be 541.9 million yuan, the additional profit will be 3.3 million yuan, the profitability will be 16 %.

Internal communications are important in the development of the company's corporate culture. Information technologies play an important role in the development of internal communications, since with their help it is possible to ensure effective interaction between employees, improve communication processes and increase work productivity. In this regard , in Xiaomi it is proposed to create an internal corporate portal. The corporate portal is a system that includes various products that allow solving the company's tasks. Approximate content of the corporate portal for the company Xiaomi includes an organizational directory, applications, an electronic archive of documents, portal usage statistics, news, working time control, resource reservation, informers. From other elements to the corporate portal for the company Xiaomi it can add a forum, a site search, an authorization system and an administration section.

Total costs for the implementation of measures to improve the corporate culture of Xiaomi they will amount to 0,65 million yuan. As a result of the implementation of measures to improve the corporate culture, the company's revenue Xiaomi it will increase by 271 million yuan, which will lead to an increase in net profit by 1,6 million yuan. Profitability of measures to improve the corporate culture of Xiaomi it will 146 %.

CONCLUSIONS

The conducted research allows us to draw the following conclusions and suggestions.

The concept of personnel management is a system of theoretical and methodological views on understanding and defining the essence, content, goals, objectives, criteria, principles and methods of personnel management, as well as organisational and practical approaches to the formation of a mechanism for its implementation in specific operating conditions of organisations.

Based on modern concepts of personnel management, the following types of management are distinguished: result-oriented management, motivational management, framework management, delegative management, participative management, entrepreneurial management.

The main functions of human resources management include: organising the use of human resources, improving the quality of labour relations, providing human resources, managing labour efficiency, developing human resources, managing reward systems, organising a system of relations, ensuring employee loyalty, managing trust, managing image, shaping organisational culture, talent management.

The main trends in HR management are Technology integration, adoption of remote working, diversity, equality and inclusion, skills development for business, data analytics for business, integration of the gig economy for business, flexible working conditions, companies will focus on improving the overall employee experience, flexible performance management.

Personnel development is a system of interrelated actions that include the development of a strategy, the processes of forecasting and planning the request and needs for personnel, the management of professional growth and career, as well as the organization of the process of training, education, the formation of organizational culture, adaptation.

All the resources spent on personnel development, with proper control, will soon and fully justify themselves. The growing interest in personnel development on

the part of companies is determined by their need to have personnel whose level of training meets the requirements of the time.

The personnel development strategy involves the training of employees of the organization, advanced training of personnel, retraining of personnel. Personnel training is a purposefully organized, planned and systematic process of mastering knowledge, skills, abilities and ways of communication under the guidance of experienced teachers, mentors, specialists and managers. Further training of personnel is the training of employees in order to improve knowledge, skills and ways of communication in connection with the growth of requirements for the profession or promotion. Retraining of personnel - training of personnel in order to master new knowledge, skills and methods of communication in connection with mastering a new profession or changing requirements for the content and results of work.

Corporate culture represents the rules within the company that shape the microclimate of the team and its interaction within the organisation as a whole.

The main elements of corporate culture are: vision and statement of purpose, values, behaviours, practices, people and narrative.

Corporate culture is a critical factor in the success of an organisation and can have a significant impact on employee satisfaction, engagement and performance. The following are some of the most commonly cited aspects that are essential to creating and understanding corporate culture.

The functions of corporate culture include protecting, integrating, regulating, adapting, orienting, motivating and shaping the image of the organisation.

Xiaomi Corporation is a Chinese corporation established by Lei Jun in 2010. In addition to revenue generated from the sale of smartphones and tablets, Xiaomi Corporation derives income from joint development initiatives with external partners, the sale of Internet of Things (IoT) products and the provision of internet services. Furthermore, the company generates revenue from the maintenance of its products. Xiaomi is structured into four operational divisions: smartphones, Internet of Things (IoT) products, Internet services, and so forth. Additionally, the company is engaged

in research and development of computer software and information technology, e-commerce and market research, and investment consulting.

Xiaomi's business strategy is predicated on the company's cost advantage. Furthermore, the company employs effective strategies to collect and utilise its extensive customer base, which has a positive impact on customer loyalty and business results. Furthermore, the expansion of the product and service ecosystem represents a fundamental aspect of Xiaomi's business strategy.

In 2023, Xiaomi's revenue was 270,970.1 million yuan, representing a 3.2% decrease from the previous year. Despite a decline in sales, the company's profit figures increased, indicating an increase in business activity.

Xiaomi's HR policy is based on the principles of mutual respect, trust and orientation towards long-term cooperation. In 2023, the priorities of the company's HR service include supporting the company's innovative transformation, developing customer focus, improving sales and marketing efficiency, further developing an engaging leadership culture, and increasing the efficiency of the HR function.

The main shortcomings of Xiaomi's human resource management system are low employee interest in the company's development and poor development of modern digital technologies.

As a result of the study Xiaomi it is revealed that the corporate culture is quite pronounced, close to bureaucratic, it does not contribute to the development of competitive advantages such as corporate reputation, innovation, product and service quality improvement. The values of bureaucracy and hierarchy cost the company unnecessary costs and adversely affect the quality of its functioning. The principles of teamwork are not formed in the organization. The responsibility and loyalty of the staff are not key values, which means they do not contribute to the efficiency of production and negatively affect profitability and profitability.

In the practice of personnel management, Xiaomi should use digital technologies more actively, namely, in the selection and selection of employees - a chat bot, in the organization of personnel work - a career online platform, in staff motivation - KPI.

The cost of transforming the HR model will be 2,851,000 yuan. With the same number of employees, the revenue increase will be 541.9 million yuan, the additional profit will be 3.3 million yuan, the profitability will be 16 %.

Internal communications are important in the development of the company's corporate culture. Information technologies play an important role in the development of internal communications, since with their help it is possible to ensure effective interaction between employees, improve communication processes and increase work productivity. In this regard , in Xiaomi it is proposed to create an internal corporate portal. The corporate portal is a system that includes various products that allow solving the company's tasks. Approximate content of the corporate portal for the company Xiaomi includes an organizational directory, applications, an electronic archive of documents, portal usage statistics, news, working time control, resource reservation, informers. From other elements to the corporate portal for the company Xiaomi it can add a forum, a site search, an authorization system and an administration section.

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APPENDIX A

FIVE-YEAR FINANCIAL SUMMARY

Condensed consolidated statements of comprehensive income

	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000
Revenue	270,970,141	280,044,016	328,309,145	245,865,633	205,838,682
Gross profit	57,476,239	47,577,190	58,260,941	36,751,862	28,554,033
Operating profit	20,008,670	2,816,498	26,028,664	24,034,729	11,760,217
Profit before income tax	22,011,047	3,933,956	24,417,033	21,633,432	12,162,646
Profit for the year	17,474,196	2,502,568	19,283,235	20,312,710	10,102,950
Profit attributable to owners of the company	17,475,173	2,474,030	19,339,321	20,355,504	10,044,164
Total comprehensive income for the year	18,510,061	6,247,923	17,879,021	17,949,889	10,543,383
Total comprehensive income attributable to owners of the Company	18,507,548	6,201,669	17,940,990	17,986,452	10,472,914
Non-IFRS Measure:					
Adjusted net profit	19,272,754	8,518,007	22,039,474	13,006,363	11,532,296